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AFGHANISTAN

KABUL REPORTED PLANNING GDR-TYPE PROTECTIVE 'WALL'

Munich SUEDEDEUTSCHE ZEITUNG in German 17 Sep 82 p 8

[Report by Olaf Ihlau: "Kabul to Build Hindukush Wall"]

[Text] Kabul, 16 September--The current major offensive operations, the Afghan government hopes, will break the back of the resistance fighters by winter. At this time, the government views its own strength as so much improved that it has dropped the idea considered earlier this year of asking for more Soviet troops. If the UN-sponsored, indirect talks in Geneva with neighboring Pakistan do not lead to a positive result soon, Kabul would be forced to seal off parts of its border with Pakistan--following the GDR example--so as to curtail further infiltration by "counter-revolutionaries." This is what Prime Minister Keshtmand, Party Secretary Baryalai and Politburo member Anahita Ratebzad, the closest political advisers of chief of state Babrak Karmal, told correspondents of this newspaper and SVENSKA DAG-BLADET in an interview.

Only an Illusion Until Now

Until now, it was considered an illusion that the Afghanistan crisis might be contained by sealing off the more than 2,100-kilometer long Afghan-Pakistani border. For one thing, the "Durand Line," drawn by the British in 1893 contrary to all ethnographic and geographic common sense and arbitrarily cutting the Pathan territory south of the Hindukush in two, meanders through wild and craggy mountain terrain. Throughout these tribal areas there are no guard posts for hundreds of kilometers but any number of border crossing points being used as supply routes by the Mujaheddin. "If we do not reach an agreement with Pakistan soon," Anahita Ratebzad told us, "we have no other recourse to close off lengthy sections of the frontier, however expensive that might turn out to be." Ratebzad, who is a revolutionary and a physician, said that plans for the construction of an in-depth security system complete with barbed wire fences, minefields and control towers have already been drawn up. On visits to the GDR, several Afghan government delegations have gathered information

on border security measures there. The GDR, for its part, is said to have advised against the project both because of the difficult terrain and the immense costs involved as a consequence of it.

Babrak Karmal's brother Baryalai, the Politburo member responsible for international relations, pointed to the "stabilization successes" achieved by the Soviet-supported government over the past few months. The "bandit hordes," he said, were badly beaten during the last few weeks in Paghman and in the Logar and Panjshir valleys. "For this reason," Baryalai said, "we are not considering the need for additional Soviet reinforcements at present." As for how long Soviet troops would remain in the country, that would primarily depend on the behavior of the United States, of Pakistan and Iran. "If the other side is prepared to negotiate," Baryalai said, "if we can resolve our problems peacefully and if interference in Afghanistan's internal affairs stops under a set of international guarantees, then all Soviet troops will leave Afghanistan. I repeat: all Soviet troops." But Baryalai added that a withdrawal of Soviet troops would not adversely affect friendly relations with the Soviet Union and that "Soviet advisers" in various fields would still be available as they were under former governments, including that of King Zahir Shah.

Kabul Takes Positive View of Mediation Efforts

The UN-sponsored mediation efforts aimed at resolving the Afghanistan conflict are viewed in a very positive light by the Kabul government. Prime Minister Keshtmand said that the "indirect talks" held during the early summer in Geneva had led to a "breakthrough." The dialogue is to be continued in November in connection with the UN General Assembly meeting in New York. But UN special Afghanistan envoy Diego Cordovez is likely to visit Kabul, Islamabad and Tehran before then to speed up negotiations. The next step, Keshtmand believes, "will be reached early next year in direct talks with Pakistan." Iran, he thinks, is not yet in a position to take up such contacts, however.

Civilian Guards for National Defense

The prime minister confirmed for us that the Council of Ministers and the central committee of the Democratic People's Party have passed a decree establishing a "civilian guard corps" details of which had not yet been made public. This decree was decided on in the aftermath of extending military service to age 39. The civil guards, Keshtmand said, are to be organized "on a voluntary basis" at their places of work. But the word "voluntary" does not appear in the unofficial but apparently authentic text of the decree which is presently making the rounds in Kabul. A statement of principles contained in the decree says that "the

civilian guard corps is part of the organized system of the overall defense policy of the Afghan People's Republic. Part of this system is the defense of the revolution and the people." Aside from the protection of property and accident and natural disaster aid, the new act expressly calls on the guards to help "neutralize and annihilate the enemy." The corps is to be under the defense ministry. All Afghans between 16 and 55 not serving in the military may be drafted into the corps the first units of which are to be set up in Kabul and Herat provinces by mid-October.

During the first two weeks of September, things seemed relatively quiet in Kabul although the sounds of battle from nearby Paghman and the Logar Valley were audible and there was sporadic shooting at night. But there are no signs pointing to the imminent collapse of the Karmal regime. We were the first Western correspondents since Babrak Karmal took power to be permitted to visit Herat, one of the Mujaheddin resistance centers near the Iranian border where the first massacre of Soviet advisers took place in March 1979. During the day, the city is under control of government forces but after dark wild shooting begins which continues on through the night. The drive from the airport to the center of Herat is 20 kilometers. We made it in an armored car as part of a military convoy while being fired at by the Mujaheddin.

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AFGHANISTAN

OVERALL RESULTS OF PANJSHIR OFFENSIVE EVALUATED

Frankfurt/Main FRANKFURTER RUNDSCHAU in German 20 Sep 82 p 13

[Report by Jan Frieze: "Karmal Running Out of Recruits"]

[Text] Soviet and Afghan government troops have begun their sixth offensive to take control of the Panjshir Valley in north-eastern Afghanistan. According to the most recent reports from diplomatic sources, fierce fighting is taking place at the southwestern entrance to the valley while Soviet bombers--some of which are based on airstrips on the other side of the Soviet-Afghan border--are raining down heavy bombs on the entire valley every day. A large part of the civilian population fled the villages in time and all strategic localities inside the valley--with the exception of the southern capital of Ruka--appear to be in the hands of the resistance movement once again.

It was only in late May that the Kabul government was excitedly celebrating "total victory" after a major Soviet-Afghan offensive involving some 8,000 Soviet soldiers, 4,000 government troops, airborne units and heavy military equipment. President Babrak Karmal's brother, party bigwig Baryalai, was sent to the "liberated" town of Bazarak at the southwestern entrance to the valley and the government announced that the area had been "cleared of bandits once and for all "

But only a few days after the "final victory" was proclaimed the newly installed Marxist district administrator was murdered and while official television was still carrying reports about young "patriotic party workers" doing volunteer duty in the Panjshir Valley, the dead heroes were already being brought back by truck. According to reports circulating in Delhi, only 600 of the 1,000 young people sent off on this propaganda adventure came back home alive.

Meanwhile, the hospitals in Kabul were filling up with wounded soldiers--particularly the orthopedic wards. At the Wazir Akbar Khan hospital, a tent city was set up in the garden to accommodate the wounded. The number of Soviet and government casualties in the campaign--which represented the biggest operation by Soviet forces and weapons since the invasion 33 months ago--is estimated

at 2,000. According to these same sources, the losses of the freedom fighters were very small because of their highly mobile guerrilla tactics. The ratio is said to be 7:1.

Although the massed forces were able to penetrate the valley in two rapid thrusts from the north and the south, they did not, however, appear to reach their main objective which was to establish an "effective presence" in the Panjshir Valley and to subject the area to the control of Kabul.

In Kandahar, the second-largest city in Afghanistan, the Soviets succeeded last January in decimating the resistance movement after a series of heavy air and artillery bombardments. According to eyewitness reports, more than one-third of Kandahar was destroyed in the process. In the Panjshir Valley, on the other hand, the Mujahedin did not offer much of a target. Instead of engaging in large-scale defensive battles, they retreated to the mountains at first and then ambushed the invaders later in places of their own choosing. They even appear to have fought Soviet parachute troops who landed on strategic heights to a standstill.

As the almost uninterrupted series of large-scale operations against the 100-kilometer long valley located 80 kilometers north of Kabul indicates, a Panjshir victory appears to have become an obsession both for the Soviets and Kabul which is being pursued without regard to losses. And this despite the fact that control of the valley is more of a psychological than a strategic necessity. To be sure, the southwestern entrance to the valley lies close to the most important road leading north from Kabul via the Salang Tunnel to the Soviet border but access to the Panjshir Valley could easily be sealed off to the south as was done for some time.

The reason why a victory over the Mujahedin there is such a priority goal is that the Panjshir Valley was the region most free from Soviet and Kabul influence only a year ago--a "free Afghanistan" in miniature where the Mujahedin ran their own administration and the civilian population peacefully lived their everyday lives.

The freedom fighters collected taxes; schools and hospitals were running smoothly; jails were filled mainly with communist party members and other supporters of the Kabul government. This flagrant challenge, this example of a well-functioning self-administration on the part of the insurgents appears to have turned the conquest of the Panjshir Valley into something of an obsession for the Kabul government.

For all that, the overall situation in the civil war offers little cause for optimism to the Kabul government. The need to replenish the army with new recruits which is sorely depleted as a result of desertions has led to ever more rigorous methods of conscription reminiscent of the Thirty Years War. The lower age limit for recruits stands at 16 for those just leaving school; meanwhile, the upper limit has been raised from 35 to 40. Young men in Kabul are not safe anywhere from the flying squads of recruiters--not at home, not on the street, in taxis or buses or at the place of work. Recently, the government expanded the hunt for recruits to include even those working for the state-owned enterprises.

According to detailed reports trickling out of Kabul, the government is now said to be planning the establishment of "civilian guard units" of men between 16 and 55 who are to receive arms and training so as to do guard duty in the cities after working hours and thus to free soldiers for duty at the front.

Exchanges of fire by night and assaults on party members, functionaries and soldiers are still a matter of routine in Kabul and the curfew was moved up to 10 pm at the end of Ramadan. "Political assassinations and official burials continue to take place with the accustomed frequency," is how a diplomatic report from the Afghan capital drily comments the situation. One of the most prominent recent victims was the uncle of Anahita Ratebzad, President Karmal's common-law wife, the first lady of Afghanistan.

None of the "resistance nests" in the close proximity of Kabul has yet been cleaned out. Even in Paghman, the former summer residence of the king 15 kilometers northwest of Kabul, which was relieved by the Mujahedin after a number of massive attacks by the Soviets, the regime has only been able to establish a frequently beleaguered bridgehead which is very hard to keep supplied and if so, only by air most of the time.

At other strategic locations, the army only goes through the motions of exercising control. According to reliable reports, many advance posts isolated in the provinces have worked out their own arrangements with the rebels. The freedom fighters may move about freely without arms during the day--at night, they are in control. The "resistance" offered by the Afghan government troops is restricted to the more or less regular firing of shots in the air and the voluntary transfer of part of their ammunition to the Mujahedin. In exchange, they guarantee their security and the prospect of living to see the day when they are relieved.

As before, convoys traveling along the main roads are attacked and relieved of the freight they carry--and given a receipt for it. For the first time, there are serious supply problems with regard to wheat and flour although the harvest is already under way.

Soviet tactics in Afghanistan have changed noticeably, turning to offensive operations as opposed to the more or less reactive campaigns of years past. In former days, they tried in the main to secure the primary communication routes and cities and to repel the attacks of the Mujahedin. But since the large-scale assault on Kandahar and the subsequent Paghman and Panjshir offensives, they have resorted to massive attacks more and more in order to meet and destroy the enemy in its strongholds.

Thus far, this new strategy has not yet been a resounding success. Only casualties have increased markedly. The systematic destruction of entire villages--as in the Panjshir Valley now and in the Shomali area immediately north of Kabul--reflect this new style of operations.

The most noticeable change in the freedom fighters' strategy is evidenced in increasing cooperation among different tribal warriors, greater mobility and the refusal to engage in fruitless combat situations. The Mujahedin have also begun taking Soviet prisoners--some of which have since been sent off to Switzerland--instead of killing them all as they did before.

The Soviets have by no means reached their main goal of breaking the fighting strength and morale of the Mujahedin; but the demoralization of the Afghan government army has continued apace. Today, that army has only a fraction of its one-time 100,000-man strength left. According to a number of Western observers, the Soviets would have to increase their military presence in Afghanistan many times over, if they were to pacify the country by force, using the methods they have until now. Just to achieve a "lasting victory" in the Panjshir Valley, some of these experts say, they would need an army of at least 30,000 or almost one-third of their entire occupation force.

The future will have to tell whether Soviet thinking tends in this direction or whether the various feelers--such as the talks with Pakistan and at the UN--are aimed at finding other solutions.

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FORMER FINANCE CHIEF, EXPERTS DISCUSS SUBSIDY PROBLEM

Cairo AKHIR SA'AH in Arabic No 2494, 11 Aug 82 pp 11-13

/Article by Suhayr al-Husayni: "Discussion Continues on an Important Issue: Subsidies for Whom and How?"/

/Text/ Discussions on the subject of subsidies are continuing. In the course of conversations, numerous questions stand out and numerous question marks and exclamation points come after them. For example, 40 million citizens are registered on supply cards--are they all indigent?

Thirty percent of subsidies go to the rural areas, and the rest are swallowed up in the cities. Is this a fair distribution? People reiterate a slogan to the effect that affluent people must bear the burdens of their living expenses as individuals. How can we be fair both to affluent persons and people who are not affluent?

The issue is difficult and complex and has many repercussions. Opinions differ with regard to it. While there is unanimity now on the need to retain subsidies, future trends warn us that it will be difficult for this unanimity to last.

AKHIR SA'AH is continuing to follow up on this important issue, seeking the opinions of men of finance and economics and experts in an effort to shed more light on the facts alone, in the hopes of arriving at scientific solutions.

Subsidies and the Economic Platform

At the beginning, Dr 'Abd-al-'Aziz Hijazi discussed the subject of subsidies within the general context of the economic platform of the future, stating:

"To talk about the economic platform of the future includes, at the outset, the need to organize available productive capacities and those which can be made available to achieve greater progress in meeting the essential demands of citizens without discriminating in favor of one class at the expense of another. It becomes essential that this platform be linked to a policy of social solidarity and mutual support in a society where we know that the average per capita income, according to the latest statistics, is no more than just 350 pounds a year. Therefore the problem facing us centers on the need to attain a net per capita income and net family income that will make it possible to provide the basic requirements to ensure a suitable standard for Egyptians. In this regard, one might rise the

problems of free and subsidized services, material and cash subsidies and burdens imposed, which in recent years have started to escalate to a point where they have begun to constitute a threat to economic and fiscal equilibrium in Egypt. The fact is that it is not proper to view the problem of subsidies by considering it apart from the general framework of the economic and social platform in Egypt, because it is basically linked to the possibility of providing job opportunities and investments for citizens so that they can realize suitable incomes that will provide suitable living standards for Egyptian citizens and raise their levels."

Tallying the Indigent Population

Dr Hijazi continued his conversation:

"In the inadequate conditions we are facing today, with the fact that there are citizens living below this level, since published statistics show that more than 44 percent of the rural population, 33 percent of the urban population and 37 percent of the republic as a whole are living below what is called the poverty line, it thus becomes essential that the problems of people with limited incomes and the indigent be given well-organized treatment, especially since we know that the government is now paying out more than 3.5 billion pounds to cope with free and subsidized services and the costs of reducing the burdens of living.

"In this area, we must first agree that it is necessary that affluent persons defray their living expenses as persons and families, in the field of services or the provision of commodities. Then we must face up to the problem of tallying the indigent population, once we learn the level a person and family must reach in Egypt in the light of a realistic study of living expenses comprising the rural and urban societies--especially since we have been observing a clear increase in migration from the rural to urban areas, and indeed an increase in the burdens this migration imposes on the towns. In this regard, I recommend:

"First, you should not adopt decrees bearing on subsidies in general for different groups of citizens. Rather, you must prepare a realistic study of the level of living expenses which are connected to the level of economic sufficiency for individuals and families, not the sustenance level. In the light of these studies, a plan and program should be set forth to tally the indigent people in each local community, to the village level.

"Second, you must concentrate all efforts on adding up all the money spent on aid and subsidies (social security), social service funds, the Islamic tithe, aid from the Nasir Social Bank, insurance and other amounts the government provides for citizens in order to subsidize living expenses, so that you can add up the general contributions to social solidarity and mutual support on the one hand, and then match that on the other hand, with the population of indigent persons, and monitor a matchup between the society and resources over periods of time. Unless there is such a matchup, the crisis of confidence that subsidies do not reach the people entitled to them will continue."

Subsidies Do Not Just Involve Supply Commodities!

Dr Hijazi went on:

"In my opinion, it is not proper that studies should be restricted to subsidies on supply commodities. Rather, the studies must extend to subsidies on educational, health and social services and affluent people must be given room to contribute to the burdens of general spending on these general economic services, which require special treatment. You must also use a policy of price discrimination, which has been recognized as a means for economically striking the requisite balance in dealing with the affluent and the indigent. It is not proper, either, that we should offer subsidies on production accessories, no matter what kind they might be or what field they might be used in; in this way, we can ascertain the real economic cost of goods and services. Consequently it will be necessary to eliminate all the decrees that have been adopted regarding subsidies on raw materials and services the government performs for economic units."

Who Are the Indigent?

Dr 'Abd-al-'Aziz Hijazi continued, "We heard recently from the minister of supply that 39 million people are registered on supply cards now. Statistics show that 44 percent of the rural population is below the poverty line, 33 percent of the urban population is below the poverty line, and the rate throughout the republic is 37 percent. If these figures are sound, then the first question is:

"Do the 39 million people registered on supply cards really represent the indigent members of society? I say no. Not every government employee is indigent. Not every tradesman is indigent. As we always say, there are people who get al-Sadat pensions and people who have buildings and land. I say that this is one of the most serious possible questions: who are the indigent in Egypt? There is experience, and there are studies that have been prepared in the advanced world, and we must refer to these and apply them without wasting time."

Subsidizing Middlemen and Exploiters

Dr 'Abd-al-Jalil al-'Amri, chairman of the economic conference, reviewing some recommendations which would help establish a stable policy for a subsidy system, says:

"As regards the system of direct subsidies, whose total came to more than 2 billion pounds last fiscal year, the rise in increases in subsidies each successive year is remarkable, especially since it has been rumored that as it is currently organized it gives middlemen and exploiters opportunities to make large gains and that by being generally applied to all the people it does not just serve the poor classes--affluent people also benefit from it. This issue has been discussed a great deal. Some recommendations have been presented on it which have enjoyed broad acceptance, and this has made them an appropriate basis for setting out a stable policy on subsidies. Perhaps the most important of these recommendations are:

"Retaining subsidies in their current form, in the form of one-tenth the basic commodities in the form of food and fuel (currently about 1 billion pounds) in budgets of families with limited incomes, while abrogating subsidies on high-grade flour and reducing subsidies on other commodities by 20 percent a year, so that they will end in 5 years.

"Striving to raise utility prices in 5 years to a level that will guarantee that their total costs are met, with the surplus to be made available for expansion and renovation.

"Abrogating subsidies over a period of 5 years at the most in the case of fertilizer, insecticides and other agricultural accessories, following the great increases that have occurred in crop prices in the last 4 years.

"Eventually raising the prices of oil products and electricity to something close to world prices, lest production be squandered on excessive consumption."

Retaining the Necessary Subsidies

Dr. - 'Amri went on,

"Thus the surplus from these savings can be shifted into the financing of ordinary housing programs; that is, the government's costs of subsidizing the poor classes would not drop, but would be redistributed in part. It is necessary to retain essential subsidies as a whole, so that ordinary classes of people with limited incomes may be protected from inflationary pressures and rises in the prices of essential requirements. Thus, alongside other policies, they themselves will become an important factor in redistributing incomes and preventing increases in differences in the distribution of wealth.

"In keeping with this policy, it is necessary that taxes be increased on luxury imports and discretionary consumption, that great media publicity to promote them not be encouraged, and that special taxes be imposed on provocative conspicuous consumption. Even if the receipts from this are limited, their imposition will enjoy special moral significance. In addition, as well as subsidy and defense expenditures, the government will have to try to reduce unnecessary expenditures, including manifestations of pomp, foreign representation and expenses for receptions and festivities, and in that respect be a good example for the people as a whole. It will also be necessary to have financial managers be careful not to get into a subsequent series of price and wage increases in rapid, shortening cycles."

The Rise in the Exchange Rate?

In continuing the discussion, Ahmad Nuh, the minister of supply, gave us a look at the supply situation, commodities, and the amounts of money that are spent on them. He then talked about the system of supply cards and the people who benefit from them, and the question whether this was the optimum method for getting subsidies to the people who were entitled to them. He said,

"First of all, if we go back into the past, about 10 years ago, to 1970, we will find that the volume of subsidies related to supply commodities was estimated at

1,163,000 pounds; that then rose until in 1980-81, on the basis of actual estimates, it came to about 1,664,000,000 pounds. The volume of these subsidies is expected to rise to about 1.8 billion pounds this year, 1981-82, as a result of the change in the exchange rate of the dollar from 70 to 74 piasters this year. It is also to be noted that subsidies suddenly rose in 1979 to 952 million pounds, having been about 455 million pounds in 1978. On top of the increase in consumption as a result of the population increase, one of the basic reasons for this increase may be ascribed to the change in the exchange rate of the dollar, starting in 1979, at which time the price of the dollar rose from about 40 to 70 piasters. It is well known that there are about five or six major commodities which the Central Bank still finances at a rate of 70 piasters--wheat, flour, sugar, oil and tea. In addition there are its dealings with the commercial bank group at a rate of 84 piasters per dollar in the case of other commodities, on top of the expenses of providing importers with currency and facilities, bank credits and so forth.

65 Million Pounds To Subsidize Rice

"As an example of the steep rise in consumption, let us mention sugar. We find that the average per capita share was about 16 kilograms in 1974. This rose to more than 27 kilograms this year. One should bear in mind that we were self-sufficient in sugar production, which was estimated at about 600,000 tons a year, while we are now importing as much of this commodity as we are producing, that is, 600,000 tons. This may be attributed to a rise in the per capita consumption rate!

"When we review the rates of population increase and extreme variations in consumption patterns, we find that we will be required to reach extremely high figures in the next 5 years in order to cope with requirements. Before talking about production and production volumes, we will have to talk about our own requirements first of all, which is obvious, then determine the volume of local consumption requirements and the volume that must be exported. The fact is that one factor resulting in disturbances in the balance of trade, the balance of payments, currency imports and the abandonment of export activities to chance and surpluses /verb missing/, which does not lead to the pursuit of an upright export policy.

"For example, the volume of our rice exports used to come to 642,000 tons; last year that was 95,000 tons and this year we have managed to export only 25,000 tons. Starting next year, if we want to preserve our per capita shares, we will be importing rice. Likewise, 60 percent of our rice is sold at a price of 5 piasters per kilogram, and the other 40 percent is sold at 14 piasters per kilogram. Consequently it costs the government 65 million pounds in subsidies to maintain the price of this commodity; if this commodity is imported, the price per kilogram of rice will be 45 piasters. Thus the situation will lead to doubling the volume of subsidies, to the extent that we import. Therefore the issue of production is one that deserves attention in the first place, and requires that we cast a glance at our local agricultural output and the degree to which it helps meet requirements."

Subsidies between Rural and Urban Areas

The minister of supply went on,

"When we talk about the volume of subsidies, this year we will be up to 1.8 billion pounds. Breaking the amount down into rural and urban areas, the urban areas

will receive 70 percent of the subsidies, while the rural areas will receive 30 percent, varying according to the commodity. In the field of subsidies, also, we find that (whether or not it is bread-discs or flour used for European bread; there is no exact differentiation between them) receive 50 percent of the value of the subsidies.

"When we talk about supply cards, and their cost, the number of cards comes to 8.1 million, on the basis of the most recent data, and the number of people registered on them comes to about 40 million. There are some exempt groups in regard to the cards but that does not amount to much in this regard, since they number about 22,000 families.

"The question that arises now is, who is entitled to subsidies?

"Who benefits from the supply cards and who does not? Although the cards do not involve many commodities, we could, in the event agreement was reached on who was entitled to subsidies, use supply cards as a method for distributing some of these commodities. Indeed we might raise a question so that we can all help determine who is entitled to supply subsidies in this area, because subsidies are given to everyone except those in a few minor categories, people who are subject to general income taxes, leaving out government and public sector employees!

"What system can we adopt in this field?

"I say that if taxes can be applied to rich people in Egypt, there will be no problem. The problem, rather, is that personal taxes are a tax on general incomes, and receipts from them are 20 million pounds. Is it reasonable that these alone should be for rich people in this country? We must therefore guide subsidies. It is not necessary that I raise prices to reduce subsidies. Rather, I must aim at favoring the approach of buying from the best sources, and the hard currency that is paid out must be restricted. In addition there is the matter of sacks, which cost us millions of pounds, transportation, storage techniques, and so forth. All these things are very expensive. We must give them attention so that we can guide subsidies. Therefore raising prices is not the basic approach to follow in this area."

Subsidies and Increased Consumption

Dr. Salah Hammad, the minister of finance, raises one important aspect of the subsidy issue when he says,

"First, we wonder if we have solid data on rates of increase in the consumption of various basic commodities--that is, are there historic statistics to show us the extent of the increase in consumption in these various commodities, with respect to the consumption of sugar, flour, or rice? Are these statistics in keeping with the anticipated population increase or not?"

The minister of finance continued,

"A second point is that by subsidizing some commodities, we are actually inviting people to increase the consumption of these commodities. I can give frozen meat

as an example. Meat does not sell for 68 piasters a kilogram in any country of the world, and we especially are basically a country that does not produce meat. In my opinion we will be meat-producers in the medium term. This prompts us to increase meat imports because people are enticed to increase meat consumption, as embodied in the subsidies on these goods.

Cash Subsidies and Inflation

"The question that rises here is whether this is to be considered a wise policy on our part. I believe there are different alternatives to imported meat which we can use and pursue, and I believe that the government has adopted these, by supplying quantities of poultry, fish and so forth. However, it is not reasonable that we should invite people to increase consumption. Some people have recommended that subsidies be disbursed in the form of cash. I believe that if we do this, inflation and prices will increase, as a result of the elimination of subsidies in kind, or some of them and as a result of anticipated investment spending. Thus poor people will be in a worse state than they were in.

"Going by what has happened in our experience in recent times, we consider that we should reduce subsidies and increase wages. What has happened, however, is that we have increased the wage level and the volume of subsidies. I consider that it would be very easy for us to increase the wage level but not easy for us to reduce subsidies. The conclusion that was drawn from that experiment was a vicious circle of inflation which afflicted the Egyptian economy, had an extremely great impact and absorbed all the effects of the subsidies by which we subsidize various commodities."

The Reason Is Increased Imports

Dr Kamal al-Janzuri, the minister of planning, then talked about the issue of subsidies, analyzing his figures and the causes of increased consumption in the past 5 years. He said:

"As far as the matter of subsidies goes, let me mention some figures that reveal some points. When we talk about the sum of 2 billion pounds directed to subsidies in the current fiscal year, we might also mention that 1.4 billion pounds of this sum go to subsidize supply materials and the rest is directed to many other categories. To learn more about this amount, I can say that 310 million pounds are for coping with changes in the exchange rate, which came to 70 piasters instead of the 40 piasters that prevailed from 1978 to January 1979; then 140 million pounds to cope with the change in the exchange rate when the price of the dollar rose from 70 to 84 piasters. Thus if we rule out the sum of 450 million pounds that went toward changes in the exchange rate of the money allotted for supply subsidies, the amount allotted to supply subsidies will be just 950 million pounds."

The minister of planning went on:

"As regards the price increases, these have been a worldwide phenomenon in the past 5 years. The price increases absorb 25 percent of the money allotted to these supply subsidies. In addition, another 25 percent is paid out in the form of levies and administrative expenditures. What I would like to get at is that increased

consumption is not caused by the subsidies; rather, what has increased consumption are the imports. Consumption has increased in the last 5 years in view of the fact that it is the doubling of imports, not subsidies, as I have mentioned, that has caused increased consumption."

Eliminating Subsidies--However!

Dr Rif'at Mahjub, dean of the Faculty of Economics and Political Science, talks about the issue of eliminating subsidies, explaining the reasons for the existence of a subsidy policy by saying:

"The major economic changes which we are talking about must be taken into account in the context development stages. Some people recommend that we stipulate a period of 5 years for eliminating subsidies, that they must be eliminated in stages, and that that must be done in the light of the results realized in development and the normal increases in wages which are related to increased productivity, not specific periods of time. The time for abrogating the subsidies might be longer or shorter than that mentioned but I would like all economic decisions to be aimed at development and to be defined in terms of their stages."

To Be Gradually Eliminated

Dr Rif'at Mahjub went on:

"Subsidies must be eliminated directly, but that must take place in stages. It would also be wrong for us to eliminate subsidies in kind and impose cash subsidies in their place. That would lead to a twofold rise in inflation--once by eliminating cash subsidies and once by bringing new buying power into the market.

"If we insist that subsidies reach the people who are entitled to them, we also insist that they be used for what they are stipulated for. If cash aid is granted, the subsidies will not be used for what they are stipulated for--rather, they will be used for other purposes which are totally distinct from that and most harmful.

"The question remains: What is the reason for subsidies?

"The reason for subsidies is inflation, which has become widespread in Egypt in recent years.

"What is the cause of the inflation?

"It is certain that poor people are not responsible for inflation. Thus it is not proper that remedying the problem of subsidies take place by eliminating subsidies; otherwise, in that case, it will be done at the expense of poor people, who will be the twofold victims--the victims of inflation and the victims of the elimination of subsidies. Therefore rich people must bear the cost of subsidies. Let taxes be imposed which will be called taxes in payment for subsidies and will be defrayed by rich people out of their incomes and their consumption. To eliminate subsidies in stages is a matter which is fraught with danger, while temporarily eliminating subsidies should be at the expense of the rich, not the poor."

Subsidies and Their Effect

In continuing the discussion of the issue of subsidies, Nasif Tahun, the former minister of supply and domestic trade, deals with the issue of means for guiding subsidies and their effect on consumption and production, saying:

"The sums allocated to subsidies show that there has been a constant increase in the value of subsidies and consequently a great increase in consumption. This is a point which we must stop and consider when evaluating the subject of subsidies. Therefore I consider that we can arrive at subsidy guidance by arranging the necessary allocations, in a way where it is possible to guide subsidies at various stages up to about 15 percent of the value of the subsidies. Integrated studies actually exist on the means for bringing that about.

"But what is the effect of subsidies on consumption and production?

"The increases in incomes that have come about in recent years mean that a large amount of the value of the subsidies may be attributed to increases in commodity imports to meet the requirements of market demand. Therefore in the light of these circumstances it is necessary to study the effect of continued subsidies on increased consumption. As long as this increase in incomes occurred, while the prices of certain commodities were fixed and the government defrayed price differences, the affluent group increased its consumption. Another thing must be mentioned, and that is that subsidies do not get to all citizens, except for specific subsidies given out in accordance with supply cards."

The former minister of supply went on:

"In addition, subsidies are concentrated in certain areas. Urban areas benefit from 70 percent of the subsidies, but rural areas benefit only from 30 percent, although the rural areas account for 56 percent of the total population. From this, the inaccuracy of the claim that every citizen in Egypt benefits from subsidies becomes obvious. In addition, there are many subsidized commodities that do not get to the rural areas, and the people in the rural areas do not benefit from them."

Subsidies in the Form of Cash

Nasif Tahun went on:

"In addition, I am in favor of the tendency to review subsidies, on condition that wages be reviewed, because, if we gradually eliminate subsidies while retaining the wage situation that prevails, what compensation will consumers be given to cope with their burdens? I also differ with people who say that one cannot give out subsidies in cash form. Let us look at today, when there are discrepancies in incomes at this stage--it is enough for us to look at the amount of wages relative to investments in the budget. The great change that has occurred in workers' wages in the construction sector since 1974 has led to the disruption in the consumption of commodities in the market as a result of the fact that this great increase in wages has been directed toward consumption, as has actually been the case.

"Today we are facing social change, since the incomes of some classes have increased to the exclusion of others and this increase is being directed toward consumption, leading to an increase in imports, thus increasing the value of subsidies. For this reason one must quickly set forth rules and we must set out a specific system with which we can proceed in the next 2 years so that we do not create any disturbances in prices or become compelled to increase subsidies."

11887

CSO: 4504/485

MILITARY ISSUES NEW SYSTEM FOR CONSCRIPTING COLLEGE GRADUATES

Cairo AL-JUMHURIYAH in Arabic 13 Aug 82 p 1

[Article by Jamal Kamal: "The New System for Conscripting Graduates"]

[Text] Field Marshal Muhammad 'Abd-al-Halim Abu Ghazalah, the minister of defense and war production, has given agreement to the new system of methods and schedules for conscripting people who hold higher credentials. The new system will reduce the graduates' waiting period for conscription to a maximum of 4 months.

Maj Gen Imam Hammudah, acting director of the conscription department, declared, at a press conference he held yesterday, that the application of the new system would start next October and would take place in two shifts:

First, in October and January, in the case of people in all fields of specialization except graduates of faculties of medicine, dentistry, homeopathy and education and graduates in other areas of specialization who are appointed as teachers by the Manpower [Ministry].

Second, in April and July, in the case of all other fields of specialization, except for medicine, dentistry and homeopathy.

Medical school graduates who complete their "merit" periods in February will be conscripted in April and July.

Medical school graduates who complete their "merit" period at the end of August will be conscripted in October and January.

Dentistry graduates will be conscripted in January and April, on grounds that their "merit" period ends in November.

Graduates of the American University and the Marine Transport Academy will be conscripted as soon as they graduate in the first accreditation class in which the conscription shift falls due.

Graduates of education faculties who are appointed to be teachers by the Manpower [Ministry] will be conscripted in April and July, provided that the April class be appointed by the Ministry of Education in a manner which does not affect their

course of studies and the July class be appointed following the conclusion of the academic year so that that may be in keeping with the date on which they are permitted to start the academic year following the year of their military service.

Maj Gen Iman Hammudah declared that the execution of the proposed system will require the names of the faculties whose graduates are compulsorily appointed to teaching positions so that it will be possible to keep those who are graduates in the first shift, in the October and January classes, segregated and include them in the April and July classes.

It will also require that the Ministry of Education commit itself to notifying the competent conscription bodies of people in specialized fields in other faculties and higher institutes who have graduated in the first shift and are appointed to teaching positions.

Maj Gen Iman Hammudah demanded that the results of the first shift of the faculties and higher institutes be announced before 15 August of each year and the results of the second shift before 15 February.

Maj Gen 'Abd-al-Hamid al-Sawwadah, soldiers' affairs chairman of the Organization and Administration Authority, declared at a press conference that it had been decided to prohibit the conscription of teachers, readers, researchers and merit doctors as reserve officers.

It has been decided that medical faculty students who are conscripted in the merit year before they reach 28 years of age spend the merit year in a military hospital, which will be considered their year of military science.

Children of people sent on missions abroad and graduates of foreign universities and schools inside and outside Egypt will be dealt with in the same manner and with the same conscription dates after their credentials are brought into equivalency.

11607

NO: 4504/482

FORMER MINISTER URGES CHANGES IN OPEN-DOOR POLICY

Paris AN-NAHAR ARAB REPORT & MEMO in English No 30, 13 Sep 82 pp 2, 3

[Text]

Investment projects set up in Egypt within the framework of *infitah*, the liberal economic policy initiated by the late President Anwar Sadat, have exacerbated the country's chronic shortage of hard currency and have helped to push down the value of the Egyptian pound against foreign currencies on the free market, in the view of Dr Fuad Hashem. Dr Hashem lost his job as Minister of Economy and Foreign Trade in a recent cabinet reshuffle (*An-Nahar Arab Report & MEMO*, September 6).

Basing his case on a report prepared by his ministry, Dr Hashem pointed out that investment companies buy the foreign exchange they need to make loan payments or to purchase production requisites on the free market instead of obtaining it from exports. This increases the demand for foreign currency in the free market.

According to Central Bank figures, exports from these companies in 1978 amounted to EL 600,000 while they purchased EL 183.7 million worth of imports. In the following year, exports totalled EL 4.3 million, but imports soared to EL 808.9 million. By 1980/81, imports had gone down to EL 315.3 million, but still overshadowed exports of no more than EL 9.3 million, forcing the companies to raise the difference of EL 306 million on the free market.

The problem lies in the ease with which approval for investment projects can be obtained under present laws, according to the report. Company owners feel no obligation to fund their imports of primary and intermediate goods through exports. Some find it more profitable to sell their goods on the domestic market instead of exporting them, even if they have spare productive capacity.

The Economy Ministry report suggests that Egypt's foreign currency resources have also been strained by the fact that investment companies have attracted domestic capital, rather than helping to channel remittances from abroad into productive

investment.

The report recommends the introduction of stricter investment regulations and calls for efforts to ensure that the companies achieve their designed production capacities as a way of encouraging them to earn foreign exchange from exports rather than buying it on the free market. Egypt's Central Accounts Department has already requested the companies to adhere to their original aims and has set up a body to observe their export performance. The Department has also asked that the participation of foreign or Arab capital be a condition for the approval of any new investment company.

Dr Hashem said that imposing currency regulations on investment companies would not undermine their privileges, nor would it conflict with the text of existing investment laws.

Investment banks created under *infatih* have also come in for criticism. A Central Bank study on the period 1976-80 concludes that the banks did not fulfill the goals for which they were set up, describing their role in investment as "marginal." By June 1980, there were 24 banks dealing in local and foreign currency, or foreign currency alone. During the period in question, the study says, the banks increased their dependence on domestic deposits until these formed 36 per cent of their total resources, compared to only 6 per cent for foreign deposits. Thus, for each dollar obtained from abroad, the banks raised \$6 from within Egypt.

The banks were intended to invest their funds in development projects in Egypt. In fact, a large portion of their resources were employed overseas, according to the Central Bank. In 1976, EL 36.9 million went abroad, increasing to EL 406.8 million in 1980. In addition, most of the finance employed by the banks within Egypt went to the foreign trade sector. Out of EL 343 million in domestic loans, EL 200 million (about 58 per cent) funded foreign trade.

The industrial sector received a mere 14 per cent (EL 48 million), mainly in short-term loans, despite the fact that industrial investment projects normally require long-term credits. According to the Central Bank, the real value of the banks' participation in financing Egyptian investment projects throughout the period amounted to a paltry EL 14.5 million, or a yearly average of EL 3.6 million. Of this total, EL 10.3 million was in direct holdings in formation capital, in accordance with the investment law, while the remainder of EL 4.2 million was held by the banks in the form of government bonds.

The Central Bank estimates that for each Egyptian pound spent on financing foreign trade, principally imports of foreign goods, only 7 piastres (EL 0.07) went into new investment projects.

IRAN

STATEMENTS MADE BY KHO'INIHA BEFORE DEPARTURE FOR MECCA

Tehran JOMHURI-YE ESLAMI in Persian 2 Sep 82 p 11

[Text] Yesterday afternoon Hojjat ol-Eslam Musavi Kho'iniha, representative of the imam and head of the Iranian pilgrims, departed for Saudi Arabia at the head of a delegation composed of several personages from the Majlis of the Islamic Republic of Iran in order to study problems and difficulties and the supply of conveniences for Iranian visitors to the house of God.

According to the report of IRNA's correspondent, Hojjat ol-Eslam Kho'iniha, representative of the imam and head of the Iranian Pilgrims, was accompanied by a delegation composed of Hojjat ol-Eslam Seyyed Mehdi Emam-Jamarani, imam's representative in the Religious Trusts Organization, Hojjat ol-Eslam Irvani, imam's representative in the Pilgrimage Organization, Haji Mohammad 'Ali Hadi and Haji Seyyed Hasan Shah-Cheraghi, both members of the Majlis Foreign Affairs Committee, Haji Ashtiani-Ghadiri and Haji Seyyed 'Abbas Khatem, and a group of members of the Imam's Representative Office for Pilgrimage Affairs. They were given an official send-off by Dr Velayati, our country's minister of foreign affairs, deputies from the ministry of foreign affairs, Marvan Bashir ol-Rumi, charge d'affaires of the Saudi Arabian embassy in Tehran, the chief of the Pilgrimage Organization, and a group of other state officials. The delegation left Tehran for Jiddah at 1530 hours.

According to the report, Hojjat ol-Eslam Kho'iniha, imam's representative and head of the pilgrims from Iran, was interviewed by Irna's correspondent before leaving Tehran. He explained the purpose of the Iranian delegation's trip, and his viewpoints in connection with the recent message of the nation's imam. At first he described the purpose of the visit to Saudi Arabia as an examination of problems and difficulties and the supply of more conveniences for Iranian visitors to the house of God. He added: We are the messengers from the Muslim nation of Iran to the huge world Haj congress this year. Our message is that the united Islamic nation, aided by Almighty God, must rise up against the enemies of Islam and the Koran and reduce the power of world arrogance over the world's Muslim nations. Addressing the visitors to the holy house of God, he stressed that they have a valuable role during the current year's Haj ceremonies, and that following the historically important points in the message of the nation's imam, they should raise issues relating to the necessity of creating Islamic

unity among the world's Muslim nations, thus exposing the brutal aggression of the regime occupying Jerusalem on Lebanon and U.S. crimes. They should also make efforts to solve the important problem of the occupation of Afghanistan.

Hojjat ol-Eslam Kho'iniha expressed hope that at the conclusion of this year's Haj ceremonies, the Iranian pilgrims to the holy house of God would understand the true meaning of Islam, and thus be able to communicate the sweet taste of Islamic unity to other Muslim nations.

The head of the Iranian pilgrims was asked about the recent message of the nation's imam by IRNA's correspondent. In response, Kho'iniha pointed out the fundamental importance of the war in our country, and noted the necessity for the Majlis representatives to be completely ready to examine the country's current affairs. He stated: On the basis of yesterday's logical statements by the nation's imam, the presence of a group of personages from an Islamic country at a special time and place would involve problems as well as special circumstances.

He continued by comparing the exceptional actions of authorities from the Islamic Republic of Iran with those of other countries, and said: In light of our country's sensitive situation which is that of struggling against the enemies of the Islamic revolution, the statements by the nation's imam yesterday offered the best possible guidance.

He explained: Yesterday morning, before many of the Majlis representatives withdrew from participation in the Haj ceremonies which occurred after the important guidance of the nation's imam, we had considered the presence of the great force of the Majlis deputies in this year's Haj ceremonies a powerful backing that would have been able to perform an effective role in explaining the righteous positions of the Islamic Republic of Iran. He expressed hope that Almighty God's hidden assistance would fill in the gaps arising from the absence of the Majlis representatives in the Haj ceremonies this year, and simultaneously help the revolutionary visitors from the Islamic Republic of Iran carry out their august duty in the best possible way.

Dr Velayati, our country's minister of foreign affairs, accompanied by two deputies from his ministry, gave a send-off to the delegation from the Islamic Republic of Iran departing for Saudi Arabia from the Mehrabad Airport. In a short interview with IRNA's correspondent, he explained the political dimension of the divine duty of the Haj. At the beginning, pointing to the significance of the world congress of the Haj in executing Islam's commands, he stated: The political effects of the Haj, which are among its fundamental axes, are realized through the huge congregation of the world's Muslims in one sacred place.

While sharply criticizing the lack of attention to the political dimension and the extraordinary importance of the Haj in the past, he said: After the victory of the glorious Iranian Islamic revolution in the rays of God's love and the prophetic guidance of the nation's imam, the axis of our Muslim

nation's movement became oriented in a direction that stimulated the revitalization of the Haj's political dimension. In another portion of the interview, concerning the actions of the ministry of foreign affairs to supply more conveniences for the Iranian visitors to the holy house of God, Dr Velayati stated: Some time ago authorities of the Islamic Republic of Iran began negotiations with Saudi Arabian authorities in order to provide more conveniences for Iranian visitors in Saudi Arabia. On the basis of the talks, Saudi authorities promised that they would cooperate as necessary in this area with Hojjat ol-Eslam Kho'iniha, representative of the imam and head of the Iranian pilgrims. We are hopeful that through this action the Iranian visitors will be able to perform the divine duty of the Haj in light of its political dimension to God's satisfaction, and do so comfortably.

9597

CSO: 4640/470

'TRUE DEMOCRAT' GROUPS FORMED, ACTIVE IN PARIS

London IRAN PRESS SERVICE in English No 87, 2 Sep 82 p 6

[Text] Representatives of a number of groups regarding themselves as true democrats and seeking a social democratic republic in Iran have formed an association following prolonged discussions in Paris. They have announced they intend to work towards the removal of the present regime and the establishment of another democratic republican regime to replace it.

Sources close to the grouping say the dialogue established by representatives of the groups, including the National Front, the Front for Liberation and the Neghab organisation, which is believed to have close links with Shahpour Bakhtiar's National Resistance Movement of Iran, has now been extended to other European centres where many Iranians live.

Pamphlets are being distributed among Iranians everywhere and efforts have been made to ensure that the dialogue begun is extended inside Iran. The group hopes to acquaint as many people as possible, including the armed forces, with its aims, especially as it feels that armed struggle will be necessary to topple the Khomeyni regime.

A number of prominent political figures regarded as liberals, such as Hassan Nazih and Ahmad Madani, or their representatives are reported to have been involved in the discussions which presaged the establishment of what is at present called the Pro-Republican Group.

The source told IPS that the group was not insisting that a democratic republic was the only alternative to the present regime in Iran, because it realised that any democratic movement must stay aware that other people held different views. But it was committed to the idea that a republic, with full social justice and democratic rights, was the best solution to the problem of what type of regime would be in the interests of the great mass of the Iranian people.

As distinct from more left-wing movements the participants in the Pro-Republican group are thought to favour Western European ideas of socialism, with mixed economy and tight constitutional protection for the individual against both state or private oppression. The extent of private ownership of industry and resources and means of effecting social justice have, the source said, been important subjects in the earlier parts of the dialogue.

TUDEH AGENTS REPORTEDLY INFILTRATING GOVERNMENT

London IRAN PRESS SERVICE in English No 87, 2 Sep 82 p 3

[Text] Opposition sources inside Iran claim that the Tudeh party has succeeded in planting several hundred of its supporters in the ministry of education, the oil industry and the banking system.

The sources said that when institutes of higher education and universities open students will discover that their new teachers and professors are either communists or graduates of East German, Polish, Russian or Czech universities.

"This is the really tangible outcome of Khomeyni's cultural revolution," an opposition source monitoring Tudeh activities told IPS. "The fact is that intentionally or not, Khomeyni has served the interests of Moscow far better than anybody else."

He said the Tudeh had placed as many as 1,800 of its members in the oil industry. In the process of restructuring the civil administration and state owned companies, many qualified officials had been purged and their places taken by Tudeh members. Accounts of many new recent sackings have recently been reaching the West.

The sources claim that many surviving civil servants have quickly joined the Tudeh party because they wish to save their jobs. Many civil servants feel that alliance with the Tudeh is better security than simple obedience to mullahs.

Usually reliable sources outside Iran told IPS that reports of the Tudeh planing its men in the administration were by and large correct. But they stressed that the Tudeh had also lost many of its more energetic activists in clashes with opposition groups. This is one aspect of bloodshed in Iran which is usually not reported, the sources told IPS.

CSO: 4600/774

CASUALTIES SEEN HARMING APPEAL OF GUARDS CORPS

London IRAN PRESS SERVICE in English No 87, 2 Sep 82 pp 2-3

[Text] As authorities in Tehran announced another series of executions in Kurdistan this week other sources in Iran reported numerous killings by opposition groups.

Among religious figures who met their deaths by violence was the most influential mullah in Arak, in central Iran. Among those who escaped attempts on their lives was Vaez-Tabasi, keeper of the Imam Reza shrine in Mashad. In recently peaceful Kerman in southeast Iran many people were hurt when gunmen fired inside a mosque and worshippers trampled on each other in the rush to escape.

Elsewhere, including Tehran, the toll of young revolutionary guardsmen continued to mount. The brutality and crudeness of much of the recent killing of guards is obviously designed to deter their colleagues from staying with the organisation and others from joining them.

Ayatollah Khomeyni himself this week called on all those who were being called up to join any branch of the forces to obey the orders. This confirmed rumours that there have not only been mass defections from the guards corps but that thousands of young men have failed to respond to call-up notices. Guards are said to have raided homes and dragged away many youths who had not obeyed notices.

The horrendous losses among guards at the battle front in the recent incursion into Iraq have watered down much of the previous enthusiasm for service among youths from poorer families, sources in Tehran say. Army officers have openly condemned the sending of the young men into battle without any but the most perfunctory preparation. "On previous occasions we had time to coordinate our activities and provide training and explanations," one officer was quoted as saying, "but this time they went in on their own. It was sheer slaughter."

More guards--the figure of 3,000 was given by Kurdish nationalist sources--have been drafted into Kurdistan to join the battle against rebels there. Further skirmishes have been reported from the area this week.

CSO: 4600/774

OIL CONTRACTS CANCELED DUE TO NONDELIVERY

London IRAN PRESS SERVICE in English No 87, 2 Sep 82 p 2

[Text] Iran's inability to supply oil against goods involved in barter agreements with firms and governments is threatening many contracts, sources in Tehran have reported in the past week. A number of buyers have already intimated they are cancelling agreements.

The problem has already been reflected in the order by the Central Bank to the commercial banks that no documentary credits should be opened without prior arrangements to allocate foreign exchange. Intending travelers from Iran have also been told they will have to wait to obtain foreign exchange for their trips. Businessmen report other signs of a suddenly deteriorating foreign exchange position.

Heavy insurance and increased freight rates are also making Iranian crude less attractive than before. Though the last tankers to take off crude from the sea island at Kharg this week are said to have been carrying oil for which only 28 dollars a barrel had been paid the upped rates could add another 3.65 dollars to the price, petroleum sources said. But on Wednesday Iranian officials said they would provide insurance for all sales at the lowest rate. They also made the \$28 a barrel price official.

CS0: 4600/774

LACK OF COHESION AMONG EXILES BEMOANED

London IRAN PRESS SERVICE in English No 87, 2 Sep 82 pp 4-6

[Text] A 25-year-old Iranian student who is living temporarily in Spain says people inside Iran cannot understand why exiled political leaders cannot "sit under one tent" and coordinate their campaign against Khomeyni.

"Back there in Iran, we have no such differences," he said with regard to the widespread opposition to the theocratic regime from even ordinary people inside Iran. "I was formerly sympathetic to the Fedayeen-e-Khalq guerrillas but I was cooperating with all other people who were against Khomeyni," he said.

When the Fedayeen leadership decided to organise protests against certain policies of the Khomeyni regime, such as the compulsory wearing of the veil, he organised all whom he knew were willing to risk their lives to come out onto the streets.

"As a matter of fact," he said, "my group included five girls who were royalists or supporters of Bakhtiar. They were students at schools in areas in which the better-off lived. We were all from well-to-do families and we knew that our parents were honest hard-working people. We shared an interest in fighting a backward reactionary regime."

However, he was to learn later that fighting the regime was not what the leadership of their group wanted. The fate of the country seemed to be secondary to personal and partisan interests. That was not what the ordinary people wanted; they wanted to see the end of a regime which had gained power by deceit and misrepresentation.

Then came the decision of the Fedayeen-e-Khalq leaders to join hands with the Tudeh party. This decision led to a split in the organisation. He believed that the majority of the rank and file left the organisation altogether. Of the remainder the majority joined the coalition with Tudeh, while the minority continued their separate, but much-weakened existence as a political group.

"This development opened my eyes," he said. "I realised that no matter how much we tried to maintain our independence from the Moscow-oriented Tudeh party, as leftists in Iran we were in the final analysis bound to follow the Tudeh."

Meanwhile, he could see no reason why he should not cooperate with the nationalists and royalists in the fight against Khomeyni. He had to ask a simple

question: was the fight against Khomeyni more important than a campaign against those people who did not believe in Marxism? He decided that Marxism could wait but not the struggle against Khomeyni. So he welcomed everybody who was against Khomeyni. And subsequently he found himself in the company of those young people with whom he had regarded himself at war only a year ago. He found he was more in accord with these young nationalists than with the mullahs.

He took part in many demonstrations against the regime, including the giant demonstration at Tehran University on March 5, 1981, in which Bani-Sadr was heckled by paid supporters of Beheshti. That demonstration marked the end for Bani-Sadr as Khomeyni's protege, and the beginning of his cooperation with Mojahedin leader Masoud Rajavi.

"That was a national demonstration against Khomeyni but not for Bani-Sadr," he said. "Thousands of supporters of Bakhtiar and royalists referred to as "taghoutis" participated and they were the brave ones who rounded up the hezbollahis and exposed them. Had it not been for the participation of these people the demonstration might not have succeeded the way it did."

He said he was sad to see the Mojahedin leadership trying to show the demonstration off as a sign of public support for their party rather than a sign of public unity in their opposition to Khomeyni. He later found out that many Mojahedin followers were gradually learning about a deal between Rajavi and Bani-Sadr.

"The whole idea was ridiculous," he said. "Rajavi seemed to be looking for a father-figure. That was the current joke among us. While he was in prison Rajavi looked up to the late Ayatollah Taleghani as his father, then later he tried to find a father in Khomeyni, but when Khomeyni proved to him that he couldn't fill the role Rajavi turned to Bani-Sadr. He then took off his necktie and tried to look like him. Of course, Bani-Sadr had facilities and money abroad."

After the flight of Bani-Sadr and Rajavi many Mojahedin sympathisers broke away and formed their own groups with other young opponents of Khomeyni to wage a bloody war against the mullahs. He stressed that what the Iranian youth were doing now was far more heroic than anything done before. Many of these young heroes were even monarchists at heart but all were young girls and boys who loved Iran.

"The struggle today is being waged by those who love Iran," he said. "In the forests of Mazandaran and in Kurdistan the fighters are all goaded by their feeling they are not followers of Rajavi nor anybody else. It is only in Europe that I see young people fighting one another over their leaders as if they do not know who the real enemy is.

"Who cares whether in 1979 (1357) we had a revolution or a plot," he said. "Whether it was a revolution or a plot the result is all the same--the replacement of what was, let's face it, some sort of a progressive dictatorship by a reactionary and chaotic dictatorship. All Iranians want today is somebody who can save them from the chaotic situation."

But he warned that people were no longer naïve they knew too well that replacement of Khomeyni by another doctrinaire dictator would not solve their problem. That is why the people wanted a clean break from any kind of regime which offered slogans and ideology instead of bourgeois comforts.

He was about to graduate as a mechanical engineer from Tehran University when Bani-Sadr arrived at the university gates leading an army of hezbollahis to close down the place. Since then he has had nothing to do except fight the regime. During the six months up to June this year he had been living in hideouts with royalists and others in West Azarbaijan. Today, after initial setbacks the royalists were showing real capability in fighting the regime. They had never expected that they would have to take to the hills or hideouts to fight, whereas the leftists were trained to do so. Now the royalists had also learned how to fight.

"When I left the country for Spain I thought I would meet real fighters among the opposition in exile," he said. "But it is disgusting to see how some Iranians have settled down to ordinary life in Europe.

"Then there are some students who know nothing about conditions in Iran but claim that only their brand of ideology can save Iran," he said. "Now if you tell them to go to Iran to fight they laugh at you. Those brave people without ideology who are fighting the Khomeyni thugs inside the country are better patriots than these people are."

He would certainly go back to Iran together with real fighters of his own age group, he said. Fighters inside the country needed real help and leadership but not Marxist or other kinds of propaganda, he said. The only kind of propaganda which was necessary was the kind which made Khomeyni angry. Foreign radio broadcasts were good not because people believed in them any longer but because they made Khomeyni angry. "The old man is so conceited that he cannot tolerate propaganda against himself," he said.

CSO: 4600/774

PRESIDENT STRESSES SECURITY OF GULF WILL BE KEPT INTACT

Tehran ETTELA'AT in Persian 30 Aug 82 pp 3, 15

[Text] Yesterday afternoon, on his first day in Mashhad, President Hojjatoleslam Seyyed 'Ali Khamene'i took part in an enthusiastic gathering of the revolutionary Muslim people of this city and made an important speech on various issues, including the imposed war of Iraq on Iran and the dispersion of the Palestinian fighters. According to the correspondent of the ISLAMIC REPUBLIC NEWS AGENCY in Mashhad, the president first praised the two bright martyrs of Islam, Raja'i and Bahonar, then spoke about the struggle of truth against falsehood and said: For us, the events of today are beyond all events in history. Our concern today is to fight the great dominating and domineering powers of the world. He said: As soon as Islam was revitalized in Iran, the enemies began their fight as they had done against the prophets. The president praised the self-sacrifice of the Muslim people of Iran in fighting against the criminal United States and considered this an endless struggle. He said: Our battle against the United States as the greatest and most barbaric government in the world is a battle which has continued and will continue until Islamic laws materialize, as long as we place the utmost importance on the Islamic revolution and remain interested in it. He added: In our estimation, a few years after the victory, we realize that we have always been victorious in our fight against the United States. Continuing his speech, Mr Khamene'i called on the people to be ready more than ever before to make a stand against the criminal United States in all areas and said: All the people of the world, especially the oppressed people of the world, look at the Muslim people of Iran as legendary figures and as models. For this reason, we must prepare ourselves for the spiritual leadership of all the justice-seeking masses. The struggle against the United States has been a rewarding one and our people have witnessed and will continue to witness God's promise. The president emphasized certain points in regards to the long term struggle against the great Satan and said: We must understand correctly the battle formation between the forces of truth and falsehood. If not, we will be greatly disappointed in our struggle, because when we

Take a close look at our problems, we clearly see the hidden hand of the United States and its allies and functionaries.

The Role of the United States in the Imposed War

He said: Our present war was provoked and encouraged by the United States and its dependents. If there had been no war, we would certainly have been engaged in repairing what had been destroyed during the monarchical regime. He emphasized: It is true that the direct criminal of this imposed war is the regime of Baghdad and its inexperienced rulers. It is they who bombard our cities and residential areas. But we see clearly the hands of the United States in the dependent, mercenary regime. In domestic issues, including the actions of the minigroups who create disgust and disunity among the people, we can see the enemy, which has always considered the Islamic revolution detrimental to its interests, operating both openly and secretly. If we want to continue our correct, essential struggle, we must not overlook the enemy. The president emphasized: All the battle formations in the society must become those of revolutionary and counterrevolutionary. We reject any other kind of formation. The president considered another condition for struggle against the United States as the revolutionary patience and toleration of the difficulties shown by the people as in the past. He praised the combatants of Islam and the self-sacrifice of the revolutionary people of Iran and said: Our Muslim people have thusfar tolerated the difficulties and will continue to do so. Our government today is making a continuous effort to eliminate the problems of the people. None rest so that the necessary facilities to eliminate the difficulties of you good, self-sacrificing people can be provided. But we must realize that some of the problems require time. He emphasized that revolutionary patience is the first condition for any victory. We know that fighting against the United States and its functionaries throughout the world is a great task, but we consider that struggle as the first step towards a free, independent, and perfect life. Mr Khamene'i pointed out that the morale of the people as it is today must be preserved if the revolution is to be preserved. The president suggested that the belief in the stage by stage and ultimate victory of the people is another necessary condition and emphasized that, God willing, the ultimate stage by stage victory in all areas will be ours decisively. Referring to the empty ideas of the enemies of the revolution concerning the economic defeat of the Islamic Republic of Iran, he said: Last year, some were happy that the Islamic Republic of Iran was suffering from economic stagnation. But today, in disappointment, they say that the Islamic Republic is a strong and stable regime.

Struggle in the Long Term

The president explained the meaning of the ultimate victory which will take place with the coming of Mehdi (may God speed his coming) and said: Your resistance and self-sacrifice today has caused the enemy to be defeated and has astonished the wayward thinkers, ill-wishers, and narrow-minded people.

Mr Khamene'i said: We must never boast of becoming victorious. We must continue the long term struggle.

Referring to the aggression of the Zionists on Lebanon, he said: The Zionist enemies of Islam have attacked Lebanon and created this great tragedy because of their fear of the Islamic revolution. The United States imagines that by creating the issue of Lebanon and through the pressure that it puts on the Palestinian and Lebanese fighters with the aid of their functionaries, it will be able to resolve the problem of Palestinian resistance for a while and begin to deal with the issue of the Islamic revolution, which is much more difficult than the Palestinian problem.

The head of the Supreme Council of Defense pointed to the victories of the Islamic combatants in fighting the aggressive enemy and the consequences of the Khorramshahr conquest as well as the upsurge of the Islamic movements in the region, emphasized the fear of the Great Satan and the reactionary governments of the region in these victories, and said: The United States and the dependent countries in the region, after witnessing the victory of our combatants, realized that the Iranian nation intends to finish off the Baghdad regime through its unending power. Hence, they raised the Lebanon issue as a political trick to demonstrate their power.

The head of the Supreme Council of Defense referred to the excuses of some of the countries concerning the fall of Saddam's regime and said: I declare that this is not interference in the internal affairs of Iraq but a precondition for stability in the region.

He referred to the silence of the government in the face of the aggression of the Ba'thist, Zionist regime of Iraq on the Islamic Republic of Iran and said: Our entry to Iraqi soil is to defend our cities and our people. Today, we declare that if the regime of Baghdad does not stop its cowardly attacks, we reserve the right to advance onto Iraqi soil up to any point which is necessary.

Preservation of the Security of the Persian Gulf

He said: The worldwide supporters of Iraq and the criminal United States, whose relationship with this regime is known, must know that we will not sit by silently in the face of these attacks which are carried out with the support of the United States and we will not tolerate them. Our nation cannot sit silently by without reacting to aggression against its independence, honor, and territorial integrity.

Continuing his speech, Mr Khamene'i emphasized the elimination of the problems and said: If the enemy thinks that it can make the Persian Gulf region insecure for us, it must know that we are totally able to protect the Persian Gulf region under the shadow of our combative forces. We want this region to be secure and we believe that we can do this justly and with respect towards all the countries of the Persian Gulf region and those countries who do not intend to invade other countries. But if others try to make this region insecure, we have the right to put them in their place.

In continuing his speech to the resistant people of Mashhad, the president emphasized: The combative forces, including the Lebanese and Palestinian Muslim forces, should have stayed in Lebanon, but the enemy temporarily succeeded in sending the Palestinians into exile from the borders of Israel. The hope of the United States and the Zionists is to have the Palestinian movement become a political movement. However, we are certain that the Palestinian Muslim fighters within the occupied lands, in Lebanon, and in other Islamic countries will not stop their decisive and serious struggle.

The head of the Supreme Council for Defense said: As a representative of the people who have experienced resistance and have tasted the success of fighting on the path of God, tell our brothers in occupied Palestine and southern Lebanon to continue their struggle through reliance on God and with the hope for victory. The final victory is yours and the Islamic Republic will hurry to your aid. He pointed out: The day that the brave and powerful combatants of Islam are able to overthrow the dependent autocratic regime of Baghdad, we will move on towards another aggressive and anti-Islamic regime, that is, the occupying regime of Jerusalem. Also, today, we will not hesitate to help the true combatants of Palestine in every area.

The president, addressing the heads of the Islamic Arab states, emphasized that they must not sit silently by in the wake of the aggression of Israel, supported by the United States, because the events of Lebanon have just begun and we must not tolerate the domination of the Phalangist regime in Lebanon. We must confront it seriously to prevent the United States from making another Israel out of Lebanon. The United States must be confronted decisively, with all the political and economic weapons available.

MINISTER ELABORATES ON STEPS TAKEN FOR 'ISLAMIZATION' OF JUSTICE

Tehran ETTELA'AT in Persian 5 Sep 82 p 4

[Interview with Minister of Justice Seyyed Mohammad Asghari]

[Text] Brother Seyyed Mohammad Asghari, the minister of justice of the Islamic Republic of Iran, who had travelled to Shahr-e Kord to visit and study and try to eliminate the problems of the Justice Department in the Province of Chaharmahal and Bakhtiari, took part in an exclusive interview with the correspondent of ETTELA'AT in that city, responding to his questions on various topics.

In the beginning of this interview, the minister of justice announced the purpose of this trip to the Province of Chaharmahal and Bakhtiari to study the difficulties and problems of the province and said: In implementing the program of the government Cabinet, it was determined that three ministers would be sent to every province to bring the results of their studies to the Cabinet, so that the government will be able to begin with the deprived provinces whenever possible. In accordance with our duty to Islam, the imam, and this martyr-nurturing and loyal nation, we travelled to the Province of Chaharmahal and Bakhtiari, witnessed the deprivation of the tribal regions, and spoke with each one of the brothers. This will be discussed in the Cabinet.

He expressed hope that with the efforts of other responsible brothers in the Cabinet and the authorities in the Province of Chaharmahal and Bakhtiari, attention will be paid to the elimination of the problems, difficulties, and deficiencies of this province, which, during the period of the shah's oppression, was one of the most deprived provinces in the country.

Changes in the Justice Department

The minister of justice referred to the changes which have been created in the Justice Department since the magnificent Islamic revolution and said: The changes that have taken place in the

Justice Department of the Islamic Republic of Iran since the revolution are the result of the Constitution of the Islamic Republic of Iran. In other words, the Constitution turned the foundation of the organization of the Justice Department upside down. In the past, the Justice Department and the judicial branch were, in fact, not separate and independent of the executive branch. The minister was in charge of everything. He had the authority over the work of the judges and the judicial branch. You know that in Islam, a judge must be totally independent in his decisions, authority, resources, power, and financial and spiritual aspects.

He added: For this reason, the Supreme Judicial Council and judicial councils were established for judicial affairs. The establishment of the Supreme Judicial Council is extremely important in assuring independence of decision and thought for the judges. The minister of justice said in regard to the effective role of martyrs Ayatollah Beheshti and Qoddusi in the Islamic revolution and the judicial branch: One of the heroes of the Islamic Republic of Iran and one of the great men who played an important role in the victory of the revolution was martyr Ayatollah Beheshti, whose martyrdom along with 72 of his friends has had a significant effect on the growth of our revolutionary movement.

Among the effective steps which were taken in the Justice Department was the establishment of the judicial police. During the past regime, persons who filed the cases, for insult or slander, for example, were incompetent. They were not committed; they did not have Islamic educations; and they were nearly illiterate. A murder case was carried through by a gendarme who was not even semi-literate. We proposed the judicial police, for which the law was passed, through which the Justice Department files are established from the beginning by committed and religious people. Furthermore, in arresting a suspect on a ruling which would previously have been implemented years later, they play an effective role, with an Islamic mind and Islamic commitment.

Establishment of General Inspection Office

He added: The second step was the establishment of the general inspection office, which existed in name only during the previous regime and only involved the Justice Department. They would go and check on the absenteeism of the judges. However, the general inspection office was established on the basis of Article 174 of the Constitution of the Islamic Republic of Iran. This office can inspect all the organizations and institutions, both military and government; it can investigate inconsistencies and report them to the authorities. In certain cases, they can report to the bureaucratic justice court. An even greater step was taken

with the establishment of the bureaucratic justice court, which was established on the basis of Article 173 of the Constitution of the Islamic Republic of Iran. The duty of the bureaucratic justice court is to investigate the complaints of the people about the authorities. Previously, a mayor, a governor, a governor-general, a minister, or a prime minister would make up laws by sending a memorandum or a resolution and would oppress the people. So often, a decision could create a new street and destroy hundreds of houses without a just price being paid to the people, who were not allowed to register the slightest complaint about the decision. The bureaucratic justice court, which is unprecedented in the history of the Iranian Justice Department, was established for the first time after our magnificent Islamic revolution by the Justice Department of the Islamic Republic of Iran. On the basis of the instructions of the Koran and the "Nahjolbalagheh," we know that it will have an effective role. His holiness 'Ali said to Malek Ashtar: Listen to the deprived and oppressed class. He says: If the villagers, the deprived, the oppressed, and the authorities come to you, tell the guards to stand aside in order that they may be able to speak of their grievances to you, the highest authority. The bureaucratic justice court has been established based on this idea to allow the oppressed and deprived the opportunity to register their grievances against the highest authority in the country.

The fourth important step was the ratification of the bill concerning the qualities desired in an elected judge. Previously, anyone could be a judge. In the later years, even a Baha'i could become a judge. One was godless, one irreligious, one a communist, and one a Baha'i. No required qualifications existed. A person would receive his bachelor's degree and become a judge. We ratified the bill concerning the qualifications of judges, according to which a judge must either be a religious jurist [mojtahed] or have been appointed by one. He must be ideological, committed, of good reputation, and must have judicial knowledge. To train these Muslim judges, the judicial and Justice Department bureaucratic college was established in which the Muslim judges are trained under the supervision of the teachers of Qom and the Muslim and committed professors of the university and college.

The minister of justice added: Another effective step in this area is that we have incorporated the injunctions of the Koran and the instructions of Islam for the first time in Islamic history as articles of law. More than 50 bills were sent to the Majlis. Recently, about 2,500 laws in 7 bills were sent to the Majlis.

Implementation of the Imam's Decree

Brother Asghari then said in regards to the implementation of the decree of the imam concerning the abolition of the tyrannical laws and the establishment of Islamic laws: We accept with all our hearts the decrees of the imam, which are the decrees of God. We have always been prepared to carry out the imam's decrees. The imam's decrees have given us new life, expedited our work, and prepared the grounds more than ever before for an Islamic justice department. The decrees of the imam have been pivotal in history. The decrees have been so decisive that the judges were able to implement Islamic laws even before the ratification of the law.

He added: All judges have been notified not to enforce unIslamic laws and if there are problems, they may consult the Supreme Judicial Council and the religious judge. Hopefully, this action will expedite our job of implementing the Islamic laws.

In conclusion, our correspondent asked: Among the important issues in the region of Chaharmahal and Bakhtiari is the problem of the farmer with regards to the land. Given the fact that the land reform law has not received final ratification by the Majlis, how does the Justice Department act in these cases? He responded: The land reform law has not yet been ratified, but hopefully it will be ratified. The imam's instructions are clear in this area as well. The imam has said: Do not carry out any law other than Islamic law. In the area of land reform, in any area concerning lands, distribution, or land disputes, our judges must follow Islamic law. Considering all the dimensions, certainly the deprived will not be forgotten. Those who gave their lives for this revolution should be taken into consideration and those who betrayed the revolution and escaped abroad as landowners cannot, in our opinion, claim that they own the land. As the imam said earlier, those who claim to be landowners but are conspirators and traitors must be noted by our judges.

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MINISTER DISCUSSES MEANS TO ECONOMIC SELFSUFFICIENCY

Tehran KEYHAN in Persian 5 Sep 82 p3

[Speech by Minister of Industries Mostafa Hashemi]

[Text] The seminar for studying the issues concerning national industries began yesterday at the Iranian Chamber of Commerce, Industries, and Mines with recitations from the Koran and a song by the youngsters. On the first day of the seminar, Mostafa Hashemi, the country's Minister of Industries, gave a speech.

The economic correspondent of KEYHAN reports from this seminar that Mostafa Hashemi referred to the goals and the direction of the industries of the Islamic Republic as compared to that of the industries of the previous regime saying: In the previous regime, industries were established based on the sale of oil and the budget was procured from foreign countries through the sale of this valuable commodity. The industries which remain in Iran are almost all those concerned with the final stages of production in Iran. Without consideration for constructive industries, the assembly and production of cars began in Iran.

Addressing the managers of the government and the private sector present in the meeting, the minister of industries said: Presently, there are enough assembly industries in the country. We must now move toward self-sufficiency and independence and not think about dependent industries.

He then mentioned the example of the textile industry, a subject of interest to many of our producers, and said:

In the textile industries, for example, we are 70 percent dependent for fibers, 100 percent for dyes, and 95 percent for chemicals. And this is at a time when God has provided everything in this country.

he added: Because we have inherited assembly and other dependent industries, \$6 billion is paid annually to provide the raw materials and equipment and for their basic operation. We hope that within our five-year plan, we will be managing these industries ourselves.

Referring to the direction of the industries of the country in the previous regime and after the Islamic revolution, Hashemi added: The industries which now exist in our country were geared to satisfying the needs of urban life and not on agricultural production. Therefore, our activities in the future will center around agriculture, which will ultimately bring about industrial self-sufficiency.

Engineer Hashemi, in the conclusion of his speech, emphasized the necessity of utilizing private investments to expand industry and said: The government guarantees the safety of all sound investments. Then, Mohsen Khalili, a member of the board of directors of the Iranian Chamber of Commerce, Industries, and Mines, referred to the personnel and management difficulties in the government and private industries and asked for directives to eliminate these problems.

According to the report of the economic correspondent of KEYHAN, the seminar for studying the problems of the country's industries continued its work today with the participation of national authorities and a number of the industrial managers of the government and private sectors.

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PROGRAM FOR TRAINING INDUSTRIAL WORKERS OUTLINED

Tehran KEYHAN in Persian 5 Sep 82 p 19

[Interview with Deputy Minister of Labor Abolqasem Dafe'ian]

[Text] Abolqasem Dafe'ian, the deputy minister of labor and head of the organization for technical and professional training, took part in a press and radio-television interview yesterday morning and outlined the new program of this organization for training industrial workers.

Dafe'ian, in explaining the new training plan in more detail, said:

"Our intention before all else is to create ties between the industrial and training centers in order to be able to use the industrial experts in training. We will create a training nucleus in the production units with these experts and those of the organization for technical and professional training."

These experts combined will have three basic responsibilities: organization, expertise, and training.

Explaining in more detail the training program which has thusfar successfully been established in 15 factories, Dafe'ian said:

Under the present conditions, with the revolution and the speed of the efforts to achieve self-sufficiency and growth in the nation's industries and after numerous studies, we have come to the conclusion that the past method cannot be responsive. Considering the economic embargo and our desire to achieve self-sufficiency as soon as possible, technical training must be developed and the level of skill of the workers, technicians, and engineers must be raised in order to set the conditions for self-sufficiency. Training takes precedence over all else for progress in industry. We cannot create one branch of any industry in the country without having thought about training.

Because of the problems in the past, the lack of correct attention paid to the issue of training, as well as the new policy, we have prepared a plan which will enable us to take the utmost advantage of the experts and the resources of the production units in a comprehensive manner.

We have planned for a group of factory managers and production managers, two experts, and two instructors, which will make up the core of the central training group of every production unit. This group is to have two days of meetings in which to discuss the problems and eliminate them.

This plan has been in the works for more than 6 months and has been implemented in 15 units. The implemented examples have been successful; in many of them, studies have been completed and in some, the plans have been implemented. At the present time, as we are announcing this plan, we are implementing it throughout the country on a large scale.

Engineer Dafe'ian, explaining this training program in more detail, said:

A training group will be formed in every factory made up of the experts in charge as well as an expert from the organization for technical and professional training, which will carry out the training based on professional training methods and the needs of the factory. The training group will carry out a general study in accordance with the standard charts. This study will determine the kind and level of expertise needed in every factory. With these charts, the timetable for the implementation of training in every factory will be obtained. In accordance with this plan, we will be able to identify the individuals who can be trained in the factory and use them to implement the training plan. Ultimately, in identifying the experts who can be of help to us in the industries, we will have a list of those who can be of help to us in training research, which includes the preparation of training standards, training programs, books, and pamphlets.

In continuation, he said: "In connection with this plan, we can determine the standards of the jobs and with the cooperation of the group, make our judgments concerning the employers and workers on the basis of standards of skill. In addition, we will have the industries absorb as many as possible from the high schools for the future of the country. This plan will pave the way for the future such that high schools and factories will admit students to be used in industries."

Engineer Dafe'ian said in regards to the funds for this plan: "We realize that if all the schools of the country were to become trade schools, a large amount of capital would be required and

the implementation of this plan would take a long time. However, if we are able to establish these ties between the educational and industrial centers, we will avoid such huge investments. In this connection, we are attempting to expand the centers alongside the factories and in order to encourage the owners of the industries, we will provide them with the opportunity to create these training centers under the supervision of the organization for technical and professional training for the two percent training charge which they will be required to pay in accordance with the law and which will both be beneficial to their own industries as well as provide training in their own region. Also, it must be pointed out that the salaries of the instructors will be paid by the organization for technical and professional training."

Maftian also said in regards to private training schools: "We encourage those private training schools which have been given permits by the organization for technical and professional training to cooperate with us in this endeavor. Whoever invests in this area will be rewarded in both this and the next world."

We have eliminated the deficiencies which existed in the previous bylaws of these training schools and have provided certain facilities for the establishment of private training schools. One of the problems concerning the previous bylaws was that the training complexes were not accredited, which we have changed and which will soon be announced to all the provinces. We have also reduced the the education level required of the applicants and instructors and have mainly emphasized skills. Male applicants are trained by males and female applicants by females. The accreditation period for the training schools was previously one year, but we have increased it to three years. The employees of the government have also been given permission to establish training schools, if this does not interfere with their work.

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REPRESENTATIVE OF IRAQI DEMOCRATIC PATRIOTIC FRONT INTERVIEWED

Athens RIZOSPASTIS in Greek 26 Aug 82 p 7

[Article by Dora Sarri: "The People's Wrath Prepares the Fall of the Dictatorship"]

[Text] "My country, Iraq, is located in an area where the inhabitants today face situations of great tension, even situations of aggressive war. Therefore, Iraq's domestic situation cannot be separated from the general situation in the region and in the world, which has deteriorated because of the dangerous strategic aims of the Reagan administration, even for a nuclear war from which nobody will escape."

Nahiza El-Dilemi, the representative of the Iraqi Democratic Patriotic Front, speaks with the quiet voice of the fighter who has lived through a lot and who knows that a great deal will transpire before the final popular victory. For the Middle East that undergoes spasms, for Iraq which suffers under a dictatorial regime, for the optimistic prospect of unity and struggle, the words are weighed before they are spoken: her country lives in such critical times that caution, responsibility, consistency and specificity are more than a necessity; they are a matter of life. "The tension in international relations is reflected as far as the Middle East is concerned in the recent Israeli attack against Lebanon and the Palestinian national liberation movement. It is a dramatic, tragic event whose consequences will give rise to new tensions and even more serious complications. We can see this when we analyze the situation in Iraq.

"My country lives under a dictatorial regime which tramples on all the liberties and rights of the people. The decisions of the so-called 'Revolutionary Council' under Saddam Husayn and his clique are made against the will of the people, against the will of the governing party itself. They are against any notion of human rights such as those contained in the Charter of the United Nations and recognized worldwide."

The "Crime" of Ideas

[Question] The atmosphere of terror is visible to any visitor to Iraq. International organizations speak about thousands of prisoners, dead and missing...

[Answer] The junta issues death sentences easily. If someone has his own ideas, his own convictions it's a crime. He must die under torture, he must be hanged, poisoned, or he may be exiled. In Iraq there are tens of thousands in prison or

missing. They are arrested and then their traces are lost. The persecution touches all social strata, all national forces, political parties and personalities, the Kurds, the Arabs...

The Kurds especially are treated badly. Their national rights are not recognized. Hundreds of thousands were forced to leave their country, their villages and their homes which were destroyed, and they were sent to live among people whose language they do not know, strangers among strangers, or to the so-called "modern villages" which in reality are a kind of concentration camp.

Approximately 100,000 persons were thrown out of Iraq on grounds that they were Iranians. Thousands of families were destroyed in this way as the husband or the wife was sent to Iran while the children were separated from their parents and enlisted in the organizations of the regime.

Tremendous Losses in the War

[Question] The war with Iran was no doubt the cause. Certainly these are not the only victims...

[Answer] The war was the climax of the Husayn regime. It has continued for over 2 years and in this period tens of thousands of Iraqi youth were killed, wounded, captured or made amputees. Every family has one victim of the regime: a prisoner, a tortured person, an exile, someone killed in the war. As a result, the people's displeasure is strong and widespread. Nobody likes the regime--only the dictator's close collaborators and the security agencies of every kind.

The economic situation is also one of the victims of the war in the sense that it has deteriorated seriously. The agreements for the purchase of weapons signed with France, Spain, Brazil, West Germany, the U.S., Sweden and Switzerland, even with the international monopolies of electronic equipment in Monaco exceed 20 billion dollars.

The petrochemical and steel industry in Wasora [transliteration] as well as industrial complexes and power stations suffered losses in the war exceeding 50 billion dollars. The industrial base of our economy was hurt so seriously that certain productive sectors of the development plan were totally paralyzed.

The human losses affected production because all men between the ages of 18 and 45 were sent to the front. According to the statistics of the government itself, 40 percent of those working in production went to war. The losses among the young and especially the workers were heavy: 75 percent, simply because they did not train them properly but hastily to send them to the front to die.

As a result of the destruction in the economy and the foreign borrowing, Iraq has galloping inflation. Prices have climbed vertically. Those who remained in production were forced to work twice as much while their wages and salaries were reduced by approximately 25 percent beyond the fall of their purchasing power because of the increase in the cost of living. The living conditions of the working class of the other working people worsened dramatically.

An Aspiring Shah

[Question] What was the main reason for the war?

[Answer] In Iraq everybody is asking today after so much destruction, why this war, why the Iranian-Iraqi war? The main reason for the war was the ambition of the regime and especially of its leader who wanted to become the leading personality in the Gulf, to assume the role of the shah--ambitions which are familiar to the imperialists and the reactionary Arab regimes. They pushed Husayn to start this aggressive war, putting in his mind that victory would be easy since Iran and its army were weak after the revolution, and that there were differences among the Iranian leaders. In short, the war was instigated by the imperialist circles against the Iranian anti-imperialist revolution. Saddam was called to be the instrument of this war.

Saddam himself was convinced that the war would not last more than a week or 10 days, that Abadan would be taken over rapidly and that he would be the absolute ruler of the Gulf. His dreams, of course, did not come true. The Iranians very courageously defended their revolution and their country.

The opposition forces in Iraq from the outset of the war were against the war as a means of solving the border disputes. They said openly that Iraq was the aggressor and asked that the war be stopped as soon as possible because it would only benefit imperialism, not the Iraqi or the Iranian people. Life has shown that the Iraqi opposition was right. The war cost both countries much blood, tears and destruction, as well as great losses of their resources which would have been useful against imperialism and Zionist expansionism.

After 2 years of war and dramatic losses for the Iraqi army, Iraq was forced to retreat with the false claim that it did so from a position of strength, not from a position of weakness. But all know that this shows the complete bankruptcy of the policy of the regime and precisely this political bankruptcy is the cause of the military bankruptcy.

The Iraqi army did not believe in the cause it was fighting for. Morale was very low. A question was spreading through the ranks: "Was this war necessary, a war which has lasted 2 years and cost so much; and now we are ordered to pull back?" I believe that Saddam and his junta must answer this shattering question. They must be forced to account for their actions before a people's tribunal.

Saddam's Overthrow: A Duty of the Iraqi People

[Question] Now the situation in the front has changed...

[Answer] Yes, now the war has entered a new phase with the entrance of the Iranian troops into Iraqi territory. Of course this is sad. The opposition parties, especially our front, consider the overthrow of the Saddam Husayn regime and the establishment of a democratic government to be above all the duty of the Iraqi people and nobody else. No outside force can do the job. The Iraqi people will decide what government and what regime they want and they are capable of getting it. This is a basic principle on which we insist.

The second principle is that the border dispute may be settled through negotiation. One understands, of course, that the Iranian government does not want to hold talks with the Husayn regime which launched the aggressive war. It can have talks only with a democratic government. In any event, the solution of the border dispute cannot be achieved in war, an internationally condemned means for the settlement of disputes.

A third point I want to note is that the peace talks with Iran cannot be carried out by the present regime, first because the Iranians do not want it, and second because the Iraqi people do not trust Husayn and his junta, and third because the peace will be more stable if the talks are held with a democratic government which will be based on the people and the country's democratic patriotic forces.

[Question] What are the more general consequences of the war in the Gulf?

[Answer] In our area--using the war as a pretext--the presence of the Americans, the French, the British and other imperialists has been intensified. Their ships patrol our shores, carrying--many of them--nuclear weapons and troops of the "rapid deployment force."

Moreover, the reactionary Arab regimes--fearing their fate and opposed to the Iranian revolution from the beginning, later pushing Iraq to do their dirty work for them--created a "defense" pact which is anything but defensive but is designed to serve the aggressive American goals and ambitions in the region. Another consequence of this war is the further fragmentation of the forces which could confront the fraud of Camp David and the Zionist expansionism. This became evident during the war in Lebanon where Iraq's role was negative.

Efforts to Form a Broad, Strong Democratic Front

[Question] Describe to us the "profile" of the front.

[Answer] The Iraqi National Democratic Front is composed of four parties but several other [parties] are prepared to participate thanks to our continuing efforts to unity the opposition forces in our country.

The four parties are the Communist Party of Iraq, the Kurd Democratic Party, the Socialist Kurd Party and the Kurd PASOK Party. Very close to us is the National United Kurd Party which recently issued a joint statement with the Communist Party of Iraq. In fact, the program of the front is supported by all 12 opposition parties. But there is a great deal that has to be done to form a broad, strong front.

Our program provides for the following:

- a. The overthrow of the regime and the formation of a coalition democratic government.
- b. Peace talks with Iran to solve the border disputes and restore good relations.
- d. Amnesty to all political prisoners.

d. Abolition of the undemocratic laws.

e. Trial by a people's court of the leaders of the dictatorial regime.

f. Conduct parliamentary elections.

It is not only the democratic, patriotic forces that work in this direction. There are also rightist, imperialist circles trying to save their positions, drawing another regime or person closer to imperialism.

This is a possibility. Another possibility is for the Iranians to win a military victory and impose an Islamic republic in Iraq. The religious parties in Iraq are in contact with the other democratic parties of the opposition, but they believe that an Islamic regime is preferable.

The situation in Iraq affects and is affected by the events in the area. I would like to add the Turkish statement that Turkey will invade Iraq where it has had territorial claims since World War I, if the Iranians enter the southern Iraqi city of Wasora. This is another design of imperialism.

The overthrow of the Iraqi dictatorial regime will take much more effort and struggle. But the existing conditions, the general dissatisfaction and the popular indignation provide a favorable climate for the mobilization of the broad popular strata and the country's armed forces.

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CSO: 4621/500

REAGAN PLAN VIEWED AS ONLY FIRST STEP IN U.S. PRESSURE

Tel Aviv YEDI'OT AHARONOT in Hebrew 3 Sep 82 Weekend Supplement p 8

[Article by Natan Baron: "Why the Slap?"]

[Text] Well, the famous pressure, long awaited, is now being felt. The first step, of course is the Reagan Plan, and more are expected.

It is safe to assume that many Israelis are stunned by the attitude of the American Government. Like a child who comes home from school and tells his father what has happened to him, hoping to receive a compliment and encouragement, and instead is suddenly slapped on the face, Israelis want to know why. Their pain is compounded.

They thought the American president would send a letter of thanks to Israel the day the evacuation of the terrorists from Beirut was completed, vowing always to support Israel. What Israel did for the United States in the past 3 months no other ally has ever done. The Americans now have a foothold in the region. Their warships are in Beirut. Their Marines are welcome guests in Lebanon. The American mediator Philip Habib runs the show. Who would have believed 3 months ago that the United States would be in this kind of position while the Soviet Union would be sulking off-stage?

There is no doubt that it is Israel who has brought about this change in the American position. Despite all the quarrels, all the conflicts, Israel has firmly and consistently sided with the United States, and has in effect created the present situation for the United States. One should only consider the concessions Israel has made for Mr Habib and for Mr Reagan in order to understand how the United States has depended on Israel during this entire process.

And now, without any warning, the ringing slap in the face came.

The commentators and the experts will find ways to explain the latest American move. But anyone who follows the U.S. presidency must arrive in the end at the main conclusion, that is, the personality of the man who at this time holds this office. According to the American system of government, the president has the final say. The entire cabinet and all the high officials cannot do a thing if the president takes a certain stand: Witness Truman's actions during the establishment of the State of Israel.

The White House is presently occupied by Ronald Reagan. From Israel's standpoint Reagan was at first considered amenable. A mature person who had always been friendly toward Israel, a man who dislikes upheavals and excessive emotionalism. It appeared that Reagan would not deviate from the traditional sympathetic attitude of the American Government toward Israel.

But it turns out that precisely these traits are now working against us. Reagan is a product of the American media. Take away his talent to always look his best on television, and what is left? During the past 50 years there have been wise and unwise American presidents, hard working and lazy, liars and honest men. But it is doubtful whether there has ever been a man in the White House who, although basically a good man, his intellectual capacity is to be doubted, as well as his capability to withstand pressures and to adhere to his principles.

It is quite clear what happened last week, while the president was vacationing in California. According to the memoirs of presidents we keep reading, one can clearly see the scenario: The president, in a cowboy outfit, convenes his staff, as well as some personal friends. This is the famous California Group, known for its ties with the Arab oil countries. It is in such meetings that matters are decided.

The advisors make a simple case: now is the time to strike out at Israel. Israel may be strong militarily, but it is weak politically. Look at its status in the world. Better yet, look what is happening inside Israel, how people are talking about the government, how they attack and criticize. There is no consensus, there is no way it can withstand pressures. Consider, Mr President, your own popularity. According to the polls, your popularity is declining because of the economic situation, you are looked upon as an indecisive person. Here is your chance to correct the situation. You should project the image of a man who takes political initiatives, otherwise, the situation will worsen. This is your opportunity--pressure Israel to find a solution for the Palestinian problem. Everything happens quickly. The paper is ready, the first draft of the speech is written. All the faithful advisors nod in approval, the decision is made. The president can go back to his favorite past time--horse-back riding.

Too simple? Far-fetched? Not if you have read, say, Kissinger's memoirs. There you had an old political fox, namely, Nixon. Here it's a different story.

This does not mean necessarily that the pressure will succeed. Anyone who reads the political map knows that American pressure at this time will only lead to an angry and stiff reaction. It is entirely clear that the way the message was sent will only invite strong reaction on Israel's part that can only become more so if the pressure is increased.

But the key, no doubt, is the president. It is important for us to know that we are not dealing with principles, but only with interests.

PERES' DEMOGRAPHIC ASSUMPTIONS QUESTIONED

Tel Aviv YEDI'OT AHARONOT in Hebrew 2 Sep 82 p 11

[Article by Orah Shem-Or: "The Demographic Map"]

[Text] The Labor Alignment has a problem: What ideological stand to take in order to persuade the public that the military and political gains of the Likud will prove worthless in time? Labor leader Shim'on Peres has said: "A large Israel with a large Arab population will no longer be a Jewish state but a bi-national state. We want," he goes on to say, "a Jewish state, do we not? There is only one way of attaining it--get rid of 1 million Arabs in Judea and Samaria and Gaza. How? Simple. Give up those territories and hand them over to Jordan or to the PLO if it recognizes us. We will then have no problems. We may be geographically smaller, but we will be a single nation."

This argument appears rather logical. Let it be a small country, but let it be ours, let it belong to the Jews.

It is safe to assume Peres receives the updated pamphlets of the government's statistics division and reads them and realizes that even within the green line we will become a minority in a few decades.

But it is convenient for Mr Peres to wave the make-believe demographic flag, since the government's statistics show that the natural increase of Israel's Arabs is the highest in the world--37 per thousand per annum. A simple calculation shows that in 20 years the Arabs will be able to send 30 delegates to the Knesset, in 40 years 40 etc.

But for the sake of truth, Peres does not say he is only referring to the Arabs of the territories. He may also mean the Arabs of Israel. If we give up the Galilee, the Triangle, East Jerusalem and a few other small "pockets," in other words, if Israel will reach from Hadera in the north to Ashdod in the south and will remain 20-30 km in width, we will have a Jewish state.

It is desirable that in future appearances Mr Peres present the Alignment's version of Israel's map, clearly pointing out a single nation area. The public will then know what is being discussed, and will be able to reach a decision.

ARIDOR'S HANDLING OF ECONOMY CRITICIZED

Tel Aviv HA'ARETZ in Hebrew 27 Aug 82 p 14

[Article by Shimshon Ehrlich: "Perpetuating the Inflationary Spiral"]

[Text] The minister of finance will soon reveal that his justification of keeping down prices before the election was correct, even as the planned increase at this time will not attain its stated purpose. There is no doubt that Mr Aridor was trying to slow down the inflation at the time of the election in order to "bribe the voter." His predecessors at the treasury had given him a handy tool for playing with prices, index, income etc. Thus, slowing down the price increase gave Aridor something for nothing.

This did not solve the problems of the economy, behind which stands a government that spends more than it has. The economic decline was frozen by stopping price increase under a policy of total indexing, but this fruitless action did not solve the problem of adjusting supply and demand. Aridor, for some reason, took the first step and stopped.

Rounding the Price

The result was not slow in coming. The excessive demand in the budget, and the money that was printed in larger quantities than ever before in order to satisfy the demand, raised prices again to their former level. Aridor began to disregard the doctrine of the inefficacy of price increases (which apparently he did not believe in in the first place), and began to introduce indirect taxes and do away with subsidies. Thus the spiral of higher prices, index, cost of living increases and compensations was renewed as in the past, and once again it turned out that rise in prices is higher than the official rate, since no one today is up to date on prices, and the seller can easily round off the price or add to it. This happens all the time when the government begins to raise the prices.

The government's budget is as big as the production of the State of Israel. Its expenditures encompass a major share of the activity and quite naturally it buys a large share of the products and services that go up in price. Thus it pays itself back a large portion of the cancelled subsidies and other increases. But it pays it at a rate higher than the

government's increase warrants. After paying for the increase in telephone rates, electricity and food, the compensations begin: pension increases, wage increases and other benefits, and then come the indexed assets: government bonds, foreign currency and other assets the government is committed to safeguard, that is, according to actual value.

The value of assets went up at the end of 1981 for the entire national product. While the value of the national product according to prices of the end of last year was 340 billions shekels, the value of indexed liquid assets was no less than 400 billion shekels at the same prices. All the responsibility for safeguarding the value of these indexed assets falls on the shoulders of the government, and it does not matter how the indexing differences are recorded, nor does it matter if officially one prints money or not--the increase of public financial assets is done at the expense of the government, without any help from anywhere else.

The attempt on the part of many to play innocent and say that the differences of the indexing of assets keep their value and therefore do not affect the efficacy of the price increase does not pass the test of reality. The clear purpose of the taxes is to reduce the public's buying power in order to limit acquisitions. The fact that the government keeps the value of the buying power of the indexed assets that exceed all that the public earns during the year enables the public not to reduce its purchases, or even increase them, despite the taxes.

The Increase As Loss

This is reflected in the data the treasury itself has published during the price increase at the beginning of the month. According to the treasury it will be able to save as a result of the planned price increase 1.34 billion shekels during the first 7 months of the fiscal year, or 2.3 billion shekels during 12 months. As a result the index will go up an average of 1.4 percent. At the same time some of the government purchases will go up (129 billion shekels), salary (54 billion shekels) and the social security payments and welfare payments, according to the rate of increase of the index.

The increase of the repaid debt alone, fully indexed to the dollar, is 2.2 billion shekels, that is, the total "income" from the price increase. If we add the expenditures mentioned before, we find out that the budget is in the red already. Now comes the increase of indexed assets, which according to a conservative estimate will add up to 5.6 billion shekels, or three times the budget "income." In addition to the immediate loss, the increase of prices will not attain their objective of reducing the demand. The demand will increase despite the taxes. The large increase of public liquid assets will propel the prices to the next stage, and so on.

This does not mean the subsidies need to be kept at a high level. The question is whether it makes sense to do away with subsidies and then return to the old state of affairs through indexing, or even make things

worse. The elimination of subsidies and raising of prices while indexing is a difficult question that calls for careful study and special action in order to neutralize the damage or else they will not only perpetuate the inflationary spiral but also make it worse.

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CSO: 4423/226

MED-DEAD CANAL CHAIRMAN SUGGESTS CONTRACTS WITH JORDAN

Tel Aviv YOMAN HASHAVU'A in Hebrew No 21 3 Sep 82 p 31

[Interview with Avraham (Abrasha) Schechterman, chairman of the board of directors of the Mediterranean Sea--Dead Sea Canal, by Tzilah Shani, date and place not specified]

[Text] Avraham (Abrasha) Schechterman, chairman of the board of directors of the Med-Dead Canal, is anxiously awaiting the visit of the review committee of the sea canal project, scheduled to arrive in Israel in the beginning of September.

The committee, headed by an engineer named Bleigh, director of the Keiser company in England, and consisting of five members, all of them international experts in the areas of canals, tunnels and hydroelectricity, will study the project, make its comments and offer its recommendations.

"Thus far," says Schechterman, "we have invested about 100 million shekels in the project. When it is finished it will have cost \$1 to \$1.25 billion."

Question: Has the government approved this amount?

Answer: The government did give its approval to the project, but it did not have the final plan, which should include the recommendations of the board of directors of the company and the reports of the international experts.

Question: Why do we need a sea canal in the first place?

Answer: Israel does not have any other sources of energy and it has to rely on foreign supply of energy that comes through hostile countries. But we do have two seas--the Mediterranean and the Dead Sea--with an altitude difference of about 1,200 feet. If we divert the water of the Mediterranean to the Dead Sea we will have a good source of energy, supplying about 800 megawatt of electricity and about 1,600 million kilowatt per hour.

Question: Does this quantity justify an expenditure of \$1 billion or more?

Answer: Yes, considering the fact that at the moment the sea canal is the only potential source of domestic energy, and let us not forget we are talking about a large percentage of the energy consumption of Israel, to be used mainly during hours of high load. This would definitely be cost-effective.

Another reason for the building of the canal are side-benefits, such as cooling of power plants to be built in the Negev or in central Israel. We will be able to divert water from the tunnel starting at Qatif in the south and going toward the Dead Sea for cooling those plants.

One should also consider the fact that a hydroelectric plant starts working the moment you turn on the faucet, while electric plants waste time and fuel while the plant is being activated. This is also an important consideration.

Another consideration: The canal can provide water to irrigate the Negev desert.

Question: Doesn't the canal endanger the profitable Dead Sea potash works?

Answer: The potash people have justified concerns about their batteries. We will do everything within our power to allay their fear. We have an experimental tank farm for this purpose in the area, and the final decision whether or not to go ahead with the project will be reached at the end of this year, when all the figures regarding the feasibility of the project are in.

Question: What will Jordan have to say about it?

Answer: A few months ago a UN delegation of experts visited us. We were told they were quite impressed with what they have seen and heard. We are expecting a major attack in the UN in coming weeks, since the Arab countries want to boycott the project. But we will withstand the attack, as we have withstood similar attacks in the past. On the other hand, we may very well get in touch with the Jordanians. So far we haven't heard from them directly, nor have we taken the initiative. But it is safe to assume we may get in touch with them.

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CSO: 4423/222

BRIEFS

OIL SHALE EXPLOITATION--So far some 5.3 billion tons of oil shale have been discovered in Israel. The question is whether the discovery has commercial value. This question is now being studied, and the results will be submitted to the government in 3 years. If the study shows that the oil shale is profitable, some 250 million tons of oil can be produced. Since Israel consumes 8 million tons of oil per year, the oil shale will meet domestic needs for more than 30 years. [Text] [Tel Aviv YOMAN HASHAVU'A in Hebrew No 21, 3 Sep 82 p 9] 9565

'ARAD OIL FIND--The site of the oil drill Tzuq Tamrur 1 east of 'Arad, 10 km west of the Dead Sea, has a good quality commercial oil deposit. The deposit has 200,000 barrels and within 2 weeks HNA Company will begin a daily production of 100 barrels of oil per day. Yesterday oil experts reached the conclusion after completing the tests in the drill area that the area holds a large oil field between 'Arad and the Dead Sea. The estimated age of the layer is 220 million years. It was decided to drill again within a few hundred meters at a site called Tzuq Tamrur 2. The company will drill in 10 more places between 'Arad and Sdom. [Text] [Tel Aviv MA'ARIV in Hebrew 27 Aug 82 p 6] 9565

AUGUST MONEY FLOW--The government has injected into the economy the record sum of 5.5 billion shekels in August, compared to 800 million shekels in July. Since the beginning of the fiscal year the government has put into circulation 15.1 billion shekels. That means that in 5 months the government issued 83 percent of the projected amount for the entire year, that is, 18.2 billion shekels. Bank of Israel officials expressed concern over the flow of government money. The treasury regards the record flow as problematic, and attributes it to the increased government expenditures because of the Peace for Galilee campaign, and the decrease in income from taxes because of the postponement of tax returns to September. The balance of foreign currency in the Bank of Israel in August went up by \$18 million, and totalled \$2.9 billion. [Text] [Tel Aviv DAVAR in Hebrew 2 Sep 82 p 3] 9565

IMPROVEMENT IN EDUCATION LEVELS--A new survey of the planning division of the Ministry of Education shows a considerable decrease of low levels of education among the 14 and up age group among the Jewish population. The survey is based on the survey of manpower of the Central Bureau of Statistics during conducted during 1961-80. The main change is among

those who had 0-4 years of school. The rate of people with this level of education went down from 20.1 percent in 1961 to 10.3 percent in 1980. The decrease is also seen in the number of those who only had 5-8 years of schooling. The survey staff points out that the data shows that the rate of people with post-high school and college education among the Jewish population has doubled. There are still differences in the levels of education between men and women, but each group has improved significantly. [Text] [Tel Aviv DAVAR in Hebrew 8 Sep 82 p 4] 9565

AUTONOMY TALKS MINUS U.S.--Following the rejection of President Reagan's peace plan by Israel, senior government officials are saying that Israel may try to resume the autonomy talks with Egypt and with moderate Palestinians without American mediation. It is suggested that in coming weeks Sharon may seek contacts with leaders in Judea and Samaria and bring them to the negotiations table. The objective is to show the Americans that Israel adheres to the Camp David accords and tried to follow them in order to achieve peace in the Middle East [Text] [Tel Aviv YOMAN HASHAVU'A in Hebrew 10 Sep 82] 9565

ISRAELI PEACE INITIATIVE--Government officials seem inclined to formulate a peace plan as an Israeli response to the Reagan plan. The Israeli plan will be based on the Camp David accords in which an administrative autonomy for Israel's Arabs is put forth. As was hinted, it is possible that the main innovation in the Israeli plan will be an Israeli-Jordanian confederacy that will include the Palestinian autonomy. According to senior officials, if the idea is carried out, a full detailed peace plan will be presented to Jordan, and the tendency in the government is not to involve the U.S. in the implementation of the plan more than necessary. The view in government circles is that Reagan has hastened to come out with his own plan when the State Department found out that Israel is preparing a comprehensive peace plan for the entire region to round out the Camp David accords. [Text] [Tel Aviv YOMAN HASHAVU'A in Hebrew 10 Sep 82 p 9] 9565

CSO: 4423/222

EVALUATION OF RAILWAY PLANS TO BE SUBMITTED

London JAMAHIRIYA REVIEW in English No 28, Sep 82 p 18

[Text]

BRITISH RAIL'S consulting subsidiary Transmark has completed its evaluation of the first draft of proposals for railway rolling stock drawn up by France's Société Française & de Réalisations Ferroviaires (Sofrerail). The final study, which will also be assessed by Transmark, will be submitted to the Jamahiriya's Communications and Marine Transport Secretariat in September.

The Sofrerail proposals relate to the first line in the Jamahiriya's planned rail network, a 170 kilometre link between Tripoli and Ras Jadir on the Tunisian frontier. The Hungarian concern Tesco/Uvateru last year won a \$10 million construction supervision contract for the line, and Transmark is nearing completion of its evaluation of tenders for the \$500 million main construction contract.

The second stage of Libya's

railway development programme is a 200 kilometre line between Tripoli and the coastal town of Misrata, which has been designed by Britain's Mott, Hay & Anderson. The third, and longest link, will join Misrata with the south western town of Sebha. A major function of this 922 kilometres line will be to transport 5 million tonnes of iron ore per annum from the deposits in the Wadi Shatti area, near Sebha, to the steel works currently under construction at Misrata, and due to enter operation by 1985.

After the completion of the three rail links in the west of the Jamahiriya, work will start on a major 1,300 kilometre coastal line linking Misrata with the Egyptian border. Last year, Transmark was invited to tender for the design of the coastal line, which might cost as much as \$40 million to construct.

CSO: 4500/312

FODDER SCHEME FOR DAIRY PLANT STUDIED

London JAMAHIRIYA REVIEW in English No 28, Sep 82 p 18

[Text]

THE WEST German firm Gewibau has completed a feasibility study for a \$67 million, 1,100 hectare agricultural project to be sited at Guarcha, south of Benghazi. The scheme will supply fodder for 3,500 cattle at an adjacent dairy complex whose construction, scheduled to start in August, will be supervised by Gewibau. The dairy plant is expected to enter operation in November 1983.

Irrigation water for the Guarcha agricultural scheme will come from treated sewage from Benghazi. A treatment works at Guarcha, designed by Britain's Howard Humphreys & Sons, could already supply 38,000-40,000 cubic metres per day, and a second stage, scheduled for completion by the end of next year, envisages an expanded capacity of 70,000-75,000 cubic metres per day.

Gewibau will also supervise the Guarcha fodder scheme, which will produce alfalfa, barley Sudan grass and vetch. Poland's Polservice has designed two production units — one of 450 hectares which is already in operation, and the other of 550 hectares, which will start production at the end of this year. The entire scheme will take between three and five years to complete.

CSO: 4500/312

BRIEFS

GUINEA-BISSAU CREDIT--THE LATEST example of Libya's aid programme to developing states in the Third World came on 11th August, when an agreement was signed in Tripoli for the establishment of a joint credit company with the African state of Guinea-Bissau, while another agreement was initialled by both countries calling for increased economic, financial and cultural co-operation. The joint credit company is intended to assist in the country's development of natural resources and improve economic progress. The Jamahiriya's aid programme rests heavily on the creation of joint banks and companies. A special report on Libya's aid programme appeared in the August issue of Jamahiriya Review. [London JAMAHIRIYA REVIEW in English No 28, Sep 82 p 7]

AIRPORT DESIGNS--THE ITALIAN firm GPL Generale Progette has submitted its final designs for a typical airport, as part of its \$7.7 million contract won last autumn to design and supervise the construction of eight domestic airports in the Jamahiriya. The client, Libya's General Civil Aviation Administration, had already approved the firm's preliminary designs. The eight airports are planned for the towns of Ubaria, Zuwara, Nalut, Zliten, Sirte, Derna, Dahra (south of Ras Lanouf), and Greyat, about 150 kilometres south of Tripoli. They will be similar in design, each having a main runway of about 2,400 metres, with provision for extension to 3,600 metres. The airports are intended to serve mainly internal, medium range flights, but might be expanded for international operations. [London JAMAHIRIYA REVIEW in English No 28, Sep 82 p 18]

OECD IMPORTS--THE LIBYAN Jamahiriya last year imported goods worth \$4.1 billion from the western industrial countries linked in the Organisation for Economic Co-operation and Development, the OECD's June foreign trade statistics bulletin shows. Libyan exports to OECD members in 1981 were \$5.5 billion. The bulletin shows that Libya's exports--mainly of oil--were highest in the first half of the year, prior to the start of the current world oil glut. The impact of the lower oil revenues on imports was delayed, however, and became apparent only in the first quarter of 1982, when the Jamahiriya bought OECD goods worth only \$697 million. This was still well in excess of Libya's \$878 million exports to the OECD in the same quarter. [London JAMAHIRIYA REVIEW in English No 28, Sep 82 p 18]

TRIPOLI SETTLES SOME DEBTS--THE JAMAHIRIYA'S oil output rose sharply in July, to an average of nearly 1.3 million barrels per day, the highest since the start of the world oil glut began in summer last year. The rising output

trend was already apparent in June, when the Jamahiriya's produced an estimated average of 1.2 million barrels per day. Libya's oil production had suffered from the general depression in the world oil market, and falling oil revenues had led to some cash flow difficulties. The sharp recovery of output over the past two months, however, has enabled the Jamahiriya to pay off a significant proportion of its outstanding bills. Madrid radio disclosed that the Bank of Spain on 19th July received a deposit of \$10 million from Libya to help clear what the radio said were total Libyan debts to Spanish firms of \$40 million. It was also disclosed in July that Italy, which reached a payments agreement with Libya in June, has received an initial \$101.3 million to help clear an outstanding total of \$622 million. Negotiations are in an advanced stage with Cyprus, meanwhile, for the Jamahiriya to supply crude oil in settlement of \$30 million owing to Cypriot firms. On 9th July the authoritative London weekly Middle East Economic Digest quoted a Scandinavian engineer in Tripoli as confirming that Libya's payments were beginning to flow much faster than they had been: 'Now the money is starting to come through,' he said. [London JAMAHIRIYA REVIEW in English No 28, Sep 82 p 19]

CSO: 4500/312

SAUDI COMMENTATOR ON POSSIBILITIES FOR PEACE IN REGION

LD031600 Riyadh Domestic Service in Arabic 1130 GMT 3 Oct 82

[Political analysis by Hashim Abdu Hashim]

[Text] Arab solidarity these days is going through a new test, because no one knows what the Arabs can do to confront the (?serious) challenges that threaten their security and safety. Also no one knows to what extent the Fez resolutions can be implemented when all have found themselves facing more than one challenge, some imposed by Israel on the Arab nation through the current situation in Lebanon and some a (?result) of the latest developments in the (?region). Finally, the Arab action which it seems the Arab leaders are eager to secure will face one of two difficult choices: either they confirm a positive stand by any country exposed to any danger to its security, thus implementing the Arab League charters and the Fez resolutions; or the Arabs prefer to continue the policy of kindness, calmness and giving more time to political moves, in which case the Arabs would bear any negative results of the delay in taking a collective step until it is too late.

It is true that the best choice is to work to contain all tensions and to end all existing conflicts by avoiding any clashes that widen the extent of the tragedies in our region, which is naturally inflamed. All the efforts up to now, however, have not enjoyed the cohesion they deserve. Consequently, the waiting holds in its folds many negative aspects. This means that the Arabs should deal with the situation more seriously and confirm their determination to guarantee the sovereignty and independence of their territories and the full rights of their peoples. At the same time they should confirm their extreme desire to settle all the outstanding problems with others with a high spirit and work with all their capacity to spare the region further destruction.

From this premise the Arab countries continue to hope that all the provocative actions will be stopped and wisdom and reason will prevail over the desire for destruction, killing and expansion, to create suitable conditions for any sincere efforts to achieve peace, eliminate the causes of wars, replace conflicts with peace, and spare the innocent souls and the blood shed unjustifiably. This hope to reach such a result should not be met with further challenge or disregard, especially since the Fez Summit has shown a sincere desire for the peaceful efforts being made to achieve the actual success that

can end these tragedies. We are absolutely sure that Arab and Islamic fraternity will not be wasted and that some wisdom will prevail in the critical circumstances, and that any speedy efforts can result in preserving for the peoples of the region their souls and sparing them further destruction.

However, the Arabs still must at this time in particular, take new action and assume a positive attitude capable of massing the creative Arab capability to confront possible dangers, because the resolutions of the latest Arab Summit did not create the possibility for positive efforts without calling for them and their exploitation. At the same time they placed before all the Arabs their responsibilities and obliged them to confront any danger that could threaten the security of any Arab country with the necessary preparation. Therefore, the choice is open to any of the warring parties to spare the region the destruction that could be a result of the widening of the conflict or push it into a war without mercy. Of course, the interest of the superpowers, which are awaiting the suitable moment to attack all, is what we must think about for a long time.

CSO: 4400/11

SUDAN

BRIEFS

HEALTH CAMPAIGN COMMITTEES, FUNDS--The Ministerial Committee entrusted to promote service in the national capital has set up subsidiary political and technical committees to assist in the projected health campaign which will begin September 20. About Ls 320,000 have been earmarked for the health campaign. [Text] [Khartoum SUNA in English 16 Sep 82 p 7]

GENERAL CENSUS DELAY--Khartoum, Sept 16, (SUNA)--President Numayri has consented to a three-month delay in launching the General Census to start in February 1983, instead of November 1982. The President yesterday received a report by First Vice-President and Chairman of the 3rd Census National Committee Umar Muhammad Al-Tayyib. The report explains the efforts for setting up the census technical body and sub-committees, formulation of the general plan, timetables and maps of rural and urban areas and pinpointing localities of nomades and other groups. Environmental and climatic conditions of the different parts of the country were thoroughly examined prior to the determination of the timing and plans of the census, SUNA learned. [Text] [Khartoum SUNA in English 16 Sep 82 p 2]

SEAPORTS CORPORATION PROFIT--The Seaports Corporation made a profit of Ls 25 million this year thus registering an increase of Ls 11 million over last year. Transport and Communications Minister Khalid Hasan 'Abbas praised the administrators, engineers, technicians and workers in the Seaport Corporation for their remarkable performance. [Text] [Khartoum SUNA in English 16 Sep 82 p 5]

TOMBURA RELIEVES POLITICAL OFFICERS--Juba, September 17, (SUNA)--Southern Region's SSU Secretary, Joseph James Tombura yesterday issued a resolution relieving political officers, Charles Sabt, Clement Minwat and Paul Kay Awar from the SSU Secretariat. Mak Boro, Philip Kot and Henri Loul were appointed as Secretariat Political officers instead, according to the resolution. The resolution directed the relieved officers to return to their previous working posts, SUNA learned. [Text] [Khartoum SUNA in English 17 Sep 82 p 3]

SURVEY DEPARTMENT APPOINTMENT--Khartoum, Sept. 17, (SUNA)--President Ja'far Muhammad Numayri yesterday decreed the appointment of 'Abidin Ahmad 'Uraybi as Director-General of the Department of Survey. 'Uraybi was Deputy Director of the Department of Survey. [Text] [Khartoum SUNA in English 17 Sep 82 p 1]

PETROLEUM PRODUCTS FOLLOW-UP OFFICE--Khartoum, Sept. 12, (SUNA)--The Minister of Transport and Communications Khalid Hasan 'Abbas yesterday held a meeting which was attended by the Minister of Energy and Mining Dr Sharis Al-Tuhami, Cabinet Minister Abu-Bakr 'Uthman Muhammad Salih and senior officials of the Ministries of Transport and Energy. The meeting decided to set up an office to follow up the loading process of petroleum products in Port Sudan and unloading them at Al-Shajarah petroleum depots, SUNA learned. It is to be mentioned that the meeting comes in the context of efforts to provide petroleum products and remove all bottlenecks. [Text] [Khartoum SUNA in English 12 Sep 82 p 3]

NOMINATIONS TO NEWSPAPER BOARD--Deputy First Secretary of the SSU Preparatory Central Committee Al-Rashid Al-Tahir Bakr has issued a resolution on the formation of the editorial board of "Voice of Youth" newspaper, SUNA learnt. According to the resolution, Dr Isma'il al-Hajjmusā has been appointed as chairman of the 10-member board and Salah 'Umar al-Shaykh as editor-in-chief. [Text] [Khartoum SUNA in English 5 Sep 82 p 8]

FUND FOR CURRENT CROP SEASON--Khartoum, Sept 4 (SUNA)--The Agricultural Bank has earmarked Ls 29 millions for the crop season 1982/83, according to a Bank's official. The sum of Ls 8 millions of the fund will be devoted to the irrigated agriculture sector, 15 million for mechanized farming and 6 millions for traditional farming, the source added. Short-term loans allocated for farming and harvesting have totalled Ls 18 million while medium-term loans for machinery and constructions totalled Ls 11 millions, he said. [Text] [Khartoum SUNA in English 4 Sep 82 p 1]

POWER STATION--Northern Region Governor Dr Abdallah Ahmad 'Abdallah yesterday opened Dongola new power station, SUNA learned. The power station has a capacity of 3200 Kwats. Work to establish the station began March last year and ended last May. Dr 'Abdallah announced the donation of Ls 500 to the employees at the station. [Text] [Khartoum SUNA in English 8 Sep 82 p 8]

GOV NOR CRITICIZES NORTHERN AREA COUNCIL--Dongola, Sept 8, (SUNA)--Northern Region Governor Dr 'Abdallah 'Ahmad 'Abdallah has vigorously criticized the northern area council of the Northern Province for, what he said, disregarding responsibilities in offering services to the citizens and dissipating efforts on secondary differences which are not in the interests of the people and the region as well. Dr 'Abdallah was addressing last Saturday the political and popular action leaderships in 'Abri in the context of his 3-day visit to the province. He warned against those differences and exhorted the commissioner of the province to work for restoring understanding between members of the council for the interests of the people. Otherwise he said, he would freeze works of the council or dissolve it. Dr 'Abdallah also referred to the services offered by the regional Government to the region in the fields of health and education which he said have amounted to Ls 100,849 in the fiscal 1981/82. Services in the same fields would total Ls 209,000 in the fiscal 1982/83, he said. [Text] [Khartoum SUNA in English 12 Sep 82 pp 6, 7]

END

POSITION OF GOLAN DRUZES DISCUSSED

London AL-DUSTUR in Arabic No 245, 2 Aug 82 pp 23-24

[Article by Mahmud Khalaf]

[Text] In his memoirs "Wasiyati" (My Testament) the late Kamal Junblat wrote that one of the faults of the Druze sect in Lebanon vis-a-vis the Galilean Druzes of northern Israel is that it severed its ties with them completely, thereby making it easy for the Israeli leaders in the 1950s to pressure prominent Druze religious notables in Galilee to obtain their allegiance and absorb them into the life of Israeli society, and even force them to perform military service and participate in the wars against the sons of their Arab nation.

Perhaps the first manifestations of the true state of affairs began to appear among the Druze of the Golan Heights after life more or less returned to normal in mid-June and after a general strike that lasted 6 months, specifically, since 14 December when Israeli law was imposed on the Golan Heights and the citizens were required to carry Israeli identity cards. The strike began to break up in mid-May when 150 workers returned to Israeli factories in Galilee and Kiryat Shmoneh, where they constitute half the number of workers employed in Israel.

The halting of the strike does not mean the Golan Druze agreed to Israeli identification, for the main leaders like Shaykh Kamal Kanj, Shaykh Mahmud al-Safadi, Shaykh Sulayman Kanj, and young Kanj Kanj are still sitting in Israeli jails after the chief of the northern police Shaiul Levi accused them of instigating the earlier strikes and preventing workers from returning to the places of their employment in Israel. This is in addition to the continued passage of ordinances against our compatriots, the latest of which was the approval by Yitzhaq Zamir, legal advisor of the Israeli Government, of a request from the Israeli Commission on Civil Laws that the maximum punishment for Druze who refuse to carry Israeli identity cards not exceed the payment of a fine of 500 shekels!

There are three main reasons why the strike came to an end:

(1) The Syrian stand during the strike and during the last Israeli invasion of Lebanon.

(2) The mediation effort recently made by Druze leaders in Israel and after the Israeli invasion.

(3) The tight blockade and brutal repression experienced by the strikers from the beginning.

The fact is the Arab reaction to the strike did not go beyond echoing slogans of support at a time when the strikers were being very harshly treated. Not even one Arab government troubled itself to place the issue on the agenda of the UN or world organizations concerned with civil matters or spontaneously asked the Israeli authorities to loosen the blockade and allow food and medicines to reach the Druze. At the same time Ahmad Iskandar, Syrian minister of information, did not hesitate to issue his "civilized" statements on Syria's readiness to make peace with Israel if it withdrew from the Golan--without mentioning the other occupied Arab regions or the tragedy befalling the compatriots there (in an interview with the TIMES of London during the period he was undergoing medical treatment in London about 3 months ago)--while the Syrian authorities used all their weapons and power during the events of Damah to put an end to the people's activities there. One of the reasons behind these activities was neglect of the Golan issue and of the Golan Arabs in general.

Moreover, the Golan Druze increasingly despaired of receiving help from the Arabs in general and from Syria in particular after the latest Israeli invasion of Lebanon on 6 June when several Arab states contented themselves (merely) with voicing criticism. And there is no need to mention the Syrian stand, which was manifested the first days of the invasion by the withdrawal of its forces and the subsequent swift agreement to a cease-fire without exhibiting more than token opposition--this at a time when the Zionist troops were killing and expelling tens of thousands of Arab families, including thousands of Lebanese Druze.

The Lebanese Druze have become convinced that the kind of "civilized" solution to their problem proposed by Syria is imaginary in view of the daily treatment they receive. Perhaps they came to understand the Arab response to their plight after they looked at the uprising of the Arabs of the occupied territories and the situation of the Palestinian resistance and National Lebanese Forces in West Beirut who heard, in turn, many promises of military and political help from a number of Arab states, and especially the Steadfastness and Confrontation Front. However, this help consisted merely of words lacking in substance.

In the same context, we must examine carefully the belief of the Center for Strategic Studies of the Middle East in Tel Aviv in the existence of an Israeli-Syrian agreement reached through the American-Soviet channel on Israel's willingness to relinquish parts of the Golan Heights and Lebanon to Syria in return for its retention of the remaining occupied territories in addition to southern Lebanon.

All these things together were helpful to elements of the Druze sect in Galilee led by Amin Tarif and Shaykh Nur al-Din Jali who saw a favorable opportunity to convince their brethren of the need to accept the existence of Israel in the

light of the Arab stand and regret the statements made by Amal Nasir al-Din, the Druze member of the Knesset who belongs to the ruling Likud Party, statements in which he said "the Golan Druze leaders opposing the establishment of Israeli law in the Heights, must be expelled." The Druze leaders in the Golan issued a statement in which they called Nasir al-Din an "agent of the fascist Zionist regime."

At the same time, intermediaries of the shaykhs requested the Israeli authorities to modify their claims on the Golan Heights because of the effect produced by the strike on the Galilean Druze and the occurrence of activities in support of their brethren in the Golan, the most important being the Committee for a Druze Initiative for Solidarity with the People of the Golan" headed by the writer Salman al-Natur from the village of Daliyat al-Karmal in the Haifa region. He had been sentenced to remain in his village for 6 months since 30 April according to a decree issued by General Amir Drori, military commander for the northern region, and Minister of Defense Ariel Sharon. The Supreme Court in Jerusalem rejected his request that the sentence of forced stay be quashed and that he be allowed to present testimony before the International Human Rights Committee in Geneva, which had invited him to do so. This activity succeeded in bringing about basic changes in the existing agreements between the views of the Druze sect in Galilee and the Israeli Government, particularly about the article relating to military service after signs of aversion and refusal to perform military service appeared among the Druze youth in recent years.

These things led to a change in the Israeli demands on the Golan Druze. It is reflected in the implicit transformation of the background of the actions taken by the Israelis against the Golan inhabitants and in the nature of the blockade of the Heights. While the confrontation began in accordance with an Israeli political scheme designed to loosen the ties of the Arab Druze to their nationalism and absorb them into a new homeland with everything that follows from this gradual conversion to a new element in Israeli society, the confrontation now continues on a new basis imposed by the will of the Arab Druze. It is manifested by an administration action, i.e., the Israeli Government is no longer able to continue the confrontation in accordance with the political scheme but is now focusing solely on the need to make the residents carry Israeli identity cards.

The fact is the toughness of the Druze attitude in the Golan Heights has forced the Israeli Government to retreat and wait for more propitious conditions. This retreat is revealed by the initial welcome given by Israeli Government circles to the plan presented by Shaykh Nur al-Din Halabi, member of the Druze Supreme Religious Court, whereby all Arab Druze will carry identity cards in exchange for the opportunity to choose whichever nationalist or patriotic affiliation they wish. More specifically, it can be said that according to this plan, the inhabitants of the Golan Heights will retain their national independence, be able to determine their patriotic affiliation, and not be compelled to serve in the Israeli Army. Moreover, they will not be forced to perform the duties required by Israeli constitutional and religious laws. They will retain their local spiritual, social, and civil institutions. In return, they will be excluded from government benefits--health care, social security, government loans, children's allowances, etc.

At the same time the strike was able to affect the political and economic situation in Israel as a result of Israeli Army transgressions against the Golan inhabitants. The matter was brought up by the League for Citizens Rights headed by Judge Hayim Kohen which requested the formation of a ministerial committee to investigate these transgressions. This forced the Israeli Government to order the military police to investigate the matter. Begin and Sharon insisted there was no reason for additional measures and that it was necessary to wait for (the results of) the military police investigation. The government oversight committee of the Knesset also took up the subject and requested the government inspector Yitzhaq Tunik for his opinion or a report on the actions of the Israeli Army in order to determine whether a parliamentary committee should be formed for this purpose.

Yosor Rom of the Likud Party and a member of the Knesset objected to Judge Kohen's proposals and asked the government to continue its strong-arm policy in the Golan and arrest anyone who instigates a strike, particularly school administrators who refuse to open their schools. Meanwhile, Minister of Communications Mordekhay Tipori who was deputy minister of defense in Begin's first government asked that force be used against the strikers, especially those who regard themselves as Syrian Arabs.

In the economic field, the information media could not conceal the effect of the strike on the structure of the Israeli economy and state of the public services because it was announced that the strike had created confusion and turmoil in some factories in Kiryat Shmoneh and Upper Galilee. Difficulties were also encountered in building shelters in Kiryat Shmoneh.

On the other hand, the Zionist authorities are employing a variety of methods to still the voices of the combative Druze, e.g., by circulating the idea of some inhabitants leaving their homes and joining their relatives in Syria. This is regarded as a prelude to expelling most of the Golan Druze resisting the occupation. The Israelis are also trying to concentrate on promoting an anti-colonization plan in preparation for setting up an Druze state that would embrace all members of the Druze sect in northern Palestine, Lebanon, and Syria within the framework of a scheme to partition the region into petty sectarian states. Shaykh Kamal Kanj resisted it and so the plan was disclosed, resulting in his arrest and imprisonment for 23 years. Some other persons were arrested on numerous false charges, one of them being that they belong to PLO.

In the same connection, both Amir Drori and Ariel Sharon announced they are starting a plan to separate the combative villages from one another in order to isolate and thus control them. This was in addition to another proposal calling for the separation of the village of Majdal Shams in the Golan Heights and returning it to Syria in order to concentrate "most of the subversive forces" in this village. Thus, the Zionist occupation authorities intend to encircle Majdal Shams with an iron wall and set up observation posts to enable the Israeli Army to check on what is going on in the village.

On the other hand, the occupation authorities are pursuing a colonization policy after recent approval of the settlement of almost 20,000 Jews in the Golan Heights. Two immigration stations will be set up in the northern Golan Heights. Also, the government committee for Naming settlements has agreed on the names of three new settlements.

The Zionist authorities have used brutal methods of dealing with the Druze by depriving them of health care and not allowing medical supplies to reach the village--in addition to requiring that the regular army doctor approve the transfer of difficult cases to the hospital. The army doctor obeys, in turn, the orders of the military command in granting or refusing permits. The occupation authorities decided to starve the citizens by preventing food from reaching the villages and then seizing quantities of simple foods from the few persons returning from the hospitals, not to speak of slowing the rate of bringing water to the villages and cutting off electricity at night to spread fear by army units roaming the streets.

The Israeli authorities prevented students from going to Israeli and Syrian universities to complete their education or take final examinations. And they insisted forcefully on the mayor of Majdal Shams coming to the town hall to be kept under observation every day in addition to bringing groups of shopkeepers and leaders from all the villages to headquarters in the town of Masada to meet the military commander of the region and governor of the northern province to listen to threats and harsh talk at a time when special army units were roaming through the quarters of the town, moving from house to house to deliver identity cards, force them upon the inhabitants, and aim threats and blows at all those who refuse them.

Amr bin Kamal Kanj told progressive lawyer Felicia Langer that the occupation authorities were seizing land from its owners. They recently seized new land that had been sown with mines, and this resulted in the death of two persons. They also prohibit the registration of newborn children on their family cards. Lawyer Langer submitted a complaint to the Israeli prison authorities concerning the terrible conditions under which Syrian Arab detainees are being held. These individuals asked the UN Secretary General through Langer to appoint an international committee to investigate what is going on in their villages. Langer sent a request to Amnesty International urging it to intervene promptly to halt the campaign of arrests and maltreatment in the Golan Heights.

The help that the Golan Arabs actually received came mainly from the Arabs of the occupied territories who are also suffering from Israeli terrorism and Arab neglect. Besides sending money and food to the Golan Arabs, they gave them support in the form of a strike that coincided with the popular uprising in the West Bank and Gaza. The students of Bir Zayt University formed a Committee to Help the Golan Arabs, which undertook to collect food and money for the strikers. Also, the Haifa Committee for Solidarity with the Syrian People of the Golan Heights sent doctors and nurses to provide medical care and lawyers to give legal advice.

Despite the termination of the strike, the Israeli authorities do not conceal their dismay at the increasing bitterness of the confrontation between the citizens and several persons cooperating with the Israeli authorities, chiefly Munir Abu Salih, chairman of the Masada council, and Salman Abu Salih, president of the Zionist Organization of the Golan Druze. It has been reported that not a day passes without the houses of the agents being stoned. And the house of one of them in the village of 'Ayn Qunya was set on fire. But we cannot blame 13,000 Arab Druze facing the ugliest of treatment at the hands of the Israeli Army if they are compelled to carry Israeli identity cards and join the Israeli Army--this is not likely--join the Israeli Army because of the lack of practical Arab reactions in general and of a Syrian reaction in particular.

CONFERENCE OF EMIGRANT WORKERS DISCUSSES PROBLEM ISSUES

Tunis LA PRESSE DE TUNISIE in French 12 Aug 82 p 5

[Text] A regional conference of emigrant workers from the Governorate of Siliana was held at the headquarters of the Coordination Committee last Monday; it was chaired by the governor of Siliana and convened a good many emigrant workers from the region. Several questions in reference to the settlement of these workers in the governorate upon their ultimate return, as well as various solutions to their problems and the prospects for their contribution to the region's economic development, were discussed. The regional delegation of the Office of Tunisian Emigrant Workers, Employment and Professional Training presented a report of its activities in this area as well as various statistics. These reveal that approximately 3,000 workers from the region practice their professions in various countries. However, only 1,436 are registered in the delegation's lists there. These 1,436 are distributed as follows [table, figures as published]:

Delegation	No.	Country					
		<u>Gulf</u>	<u>France</u>	<u>Germany</u>	<u>Holland</u>	<u>Libya</u>	<u>Others</u>
Siliana	245	--	--	110	29	--	106 --
Bargou	92	--	2	42	7	5	33 3
Bouarada	137	--	--	80	15	14	-- 28
Gaafour	119	--	--	56	9	7	44 3
El Krib	222	--	53	144	4	--	21 -
Makthar	60	--	--	34	5	2	7 12
Rouhia	81	--	1	49	1	--	28 2
Kissra	18	--	--	13	2	--	-- 3
Bou Rouis	462	--	--	461	--	--	-- 1
Totals	1,436	--	56	989	72	28	239 52

In 1981, these workers sent their families a total of 4,237,584 dinars, 918 millimes.

9064

CSO: 4519/290

BRIEFS

SRA OUERTANE PHOSPHATE--The project to mine Sra Ouertane's phosphate deposits (Kef Governorate) is beginning to take shape. In fact, three consultants (French, Brazilian and American) have been selected to make detailed studies on the exploitation of the mine. This \$10-million contract concerns phase one of the project, the goal of which is to produce 700,000 tons of phosphate a year beginning in 1987. The start-up of production of the deposit, which contains 2 billion tons of reserves, is scheduled for 1986. In 1990, production should reach 10 million tons a year. Apartments for workers who will work in the Sra Ouertane mine, in mining operations alone, will be built at the mine site and will cover approximately 20 hectares to house 6,000 workers. [Text] [Tunis LA PRESSE DE TUNISIE in French 23 Aug 82 p5] 9064

FURFURALDEHYDE FACTORY--The Al-Moez Chemical Company (a subsidiary of the Tunisian Chemical Group) has instructed the Spanish firm Tecplant Ingest to build a furfuraldehyde factory in Mahdia; work on the project is scheduled to begin next July. The objective is to produce 3,000 tons of furfuraldehyde a year from olive wastes for export. The same Spanish subsidiary of Technip has already obtained a \$15-million contract for the construction on behalf of Gafsa's chemical industries and for immediate possession of stockpiling and storing facilities at the M'Dilla fertilizer complex (near Gafsa). The contract includes supplying engineering services and assistance in starting them up; it is the last contract allocated in conjunction with the M'Dilla project (a project valued at \$96 million). [Text] [Tunis LA PRESSE DE TUNISIE in French 23 Aug 82 p 10] 9064

MODERNIZATION OF LEAD-SMELTING WORKS--Modernization of the Megrine lead-smelting works is currently the object of negotiations between the Tunisia Mining and Metallurgy Company and several West European and Canadian firms. The possibility of constructing a new unit, which would cost approximately \$10 million, is even being considered. The competitors present are the Penarroya Mining and Metallurgy Company (France); the SNC [expansion unknown] group (Canada); a Canadian consortium led by Tecsulf International and including Cominco and Minexpert; Davy McKee Ltd. (Great Britain); Kloeckner (FRG); and Mechim (Belgium). [Text] [Tunis LA PRESSE DE TUNISIE in French 23 Aug 82 p 10] 9064

LEMBER MACHINE PRODUCTION--Lurem has just signed a sizable contract with Tunisia for a transfer of technology. This project consists of the installation of a unit to manufacture 1,000 lumber machines a year in this country. The major stages of this contract include the following features: formation of a Tunisian company MMB (Maghreb Lumber Machines) to build lumber machines and the construction of a 4,000-square-meter factory to accommodate an 80-person work force. The work is scheduled to begin before the end of 1982; Lurem will help its partners during construction of the assembly plant in selection of the necessary equipment and in training the Tunisian staff. The marketing of the products manufactured by the MMB and other products in Lurem's series will be provided by the Mine Factory Company. The recent cooperation agreements established between Tunisia and Morocco will allow Lurem to establish itself more firmly in these two countries' markets. In return, the Tunisian MMB company will manufacture lumber machine components to supply Lurem's assembly lines. [Text] [Tunis LA PRESSE DE TUNISIE in French 23 Aug 82 p 10] 9064

NUCLEAR PROGRAM POSTPONEMENT--According to the specialized Middle East Economic Digest (MEED) weekly, the Tunisian Gas and Electric Company (STEG) has postponed "for at least 2 years" the enforcement of a preparatory study involving the establishment of its nuclear program. MEED points out that this postponement will bring about a delay in putting Tunisia's first nuclear plant into service, which consequently is not expected to be operational before the year 2000. According to the sources quoted by the weekly, the reasons for this postponement are due in particular to the limited local market, high construction costs and difficulties in choosing an installation site. The minimum dimension of a nuclear plant being 600 megawatts, the building of such a plant would increase the country's electrical production capacity by 50 percent. However, STEG would also consider waiting for the development of 300-megawatt miniplants. [Text] [Tunis LA PRESSE DE TUNISIE in French 23 Aug 82 p 10] 9064

Doc: 4519/290

SDAR REPRESENTATIVE DISCUSSES REGIONAL ISSUES

Guipuzcoa EGIN in Spanish 12 Aug 82 p 12

[Interview with A. Obeid, SDAR representative in Spain and Portugal, by F. Mella-
do and C. Cintas; date and place not specified]



A. Obeid, Saharan Democratic Arab Republic, SDAR representative on the Iberian Peninsula.

[Text] The 19th summit meeting of the OAU, Organization of African Unity, was scheduled to meet in Tripoli, Libya, from the 5th through the 8th of this month. This meeting was not officially held because of lack of a quorum of 34 of the 51 nations belonging to the organization.

The main factor leading to the current situation was the admission to full membership and rights to the OAU of the Sharan Democratic Arab Republic, SDAR, during last February's meeting of the foreign ministers at Addis Ababa, Ethiopia.

Since then, Morocco and 18 other nations have boycotted all meetings of agencies affiliated with the OAU.

During the last few weeks Colonel Qadhdhafi, president of Libya, has been trying to find a compromise formula to clear up the situation. He proposed that the Polisario Front should participate in the ministerial meeting--before the summit meeting--but that it should remain absent from the summit meeting itself. Colonel Qadhdhafi was gambling on his election as president of the OAU for the next year.

To review the present status of the Sahara-Morocco conflict and the circumstances surrounding that conflict, A. Obeid--SDAR official representative in Spain and Portugal--outlined for us the Polisario Front's stand.



A. Obeid, on the left, with representatives of the PLO and Lebanon. Three nations in search of liberation.

[A.O.] Our full admission to membership in the OAU is irreversible, however difficult it may be for Morocco and other states to admit this. They are attempting to transform a simple administrative problem into a political matter. Taking advantage of the fact that our acceptance last February took place at a Foreign Ministers' Meeting in Addis Ababa, they are attempting to confuse world public opinion by presenting false arguments as to the lack of validity of that decision. But they conceal the only true basis on which the SDAR could gain indisputable legality within the framework of African nations. I refer specifically to the Charter of the OAU, Art 28, which reads, "Any independent, sovereign state may at any time notify the secretary general of the OAU of its desire and interest in adhering to the present charter. The secretary general, once he receives this notice, sends a copy to each of its members and the admission is decided by a majority of all the member states. The vote of each of the member nations is transmitted to the secretary general who communicates the decision to the interested state after he has received the necessary number of votes."

Well, this happened in 1980 when 26 nations recognized us as member nation No 51 of the OAU. What happened was that they used every type of subterfuge to prevent our recognition. For example, in 1981 Hassan II brought up the fiction of the Sahara referendum to prevent the secretary general from giving constitutional sanction on the basis of the aforementioned article of the OAU Charter. It is true that it was the only diplomatic trick that he had left for preventing, as I said at the beginning, the recognition of our people as a nation.

Imperialism Versus OAU

[Egin] However, the SDAR problem can now be used as the fundamental factor to throw the OAU into one of the most acute crises it ever has had.

[A.O.] The OAU has already given ample evidence that it is a mature international organization. It has 51 member nations and represents more than half of the nonaligned nations. What is now happening is that Morocco and her allies want to destabilize it and divide it.

We must recall that this "controversy" has always existed within the OAU since its creation. There have been two blocks: that of Monrovia--pro-Western--and that of Casablanca--nationalist. Those who know Africa and are familiar with the OAU know only too well that there has always been a minority hostile to the charter and especially to its cardinal principles, that is, the right of nation to self-determination and the ephemeral nature of the frontiers inherited from colonialism. A minority of states, like Morocco, have a thirst for expansionism with respect to their nearest neighbors.

This controversy appears and disappears as international tension increases or diminishes. Unfortunately, this tension is greater due to the adventurous policy of the Reagan administration. It must be made clear that imperialism today aims at weakening the OAU. They cannot accept the idea that certain countries should withdraw from the imperialist sphere. Since 1975, seven African nations, all with clear nationalist tendencies, have gained their independence. What the imperialists call the radical nations are swelling the OAU ranks. Because of this and other factors--such as Colonel Qadhafi, whom they consider a "terrorist," presiding over the OAU--they consider the OAU to be a troublesome

organization which they cannot manipulate because of its penchant for thwarting all the neocolonialist solutions which the Americans and their allies have in mind. Therefore they use Morocco and other nations as tools of destruction. Hence we say that Morocco is a cancer in the heart of Africa which must be eradicated. For example, in February those nations which showed themselves to be in agreement with our being recognized at the Addis Ababa meeting were tormented with daily visits by the American charge d'affaires in Ethiopia during which he threatened them with reprisals in the form of the withdrawal of economic assistance.

"We Were Nomads and Shepherds, Now We Are an Army"

[Egin] Now that you mention American intentions, it would be opportune to discuss the bilateral, secret agreements between Morocco and the United States which were signed on 27 May in Washington for 6 years.

[A.O.] From the beginning the Polisario Front took a vigorous position of rejection and disagreement with the signing of such an agreement, although the international press suppressed our communiques. The establishment of five bases to be used by the American Rapid Deployment Force based at Tampa, Florida, consisting of 230,000 men constitutes a destabilizing element for the situation in the Persian Gulf and the Orient. In addition, we should mention the increase in military assistance for Morocco from 30 million to 100 million in the first phase.

[Egin] This is something we should think about. Does the role of the Reagan administration in signing the agreement internationalize the conflict, raising it to the level of an East-West confrontation?

[A.O.] I wish to give a radical twist to your question and confirm once again that the SDAR denounces the internationalization of the conflict. This is clearly a case of open, shameless aggression by Morocco against the Saharan people, which is opposed by international public opinion. This is a strictly African problem which can be settled through the intervention of the OAU and the United Nations. Thus we condemn all proposals to internationalize the conflict.

However, we must say that the Reagan administration is playing an increasingly conspicuous and important role with regard to the problem. We know and have reliable documents to prove that on 25 April 1980 American military experts, including 10 generals, specialists in antiguerrilla warfare with experience and background in Central America, visited Morocco and the Sahara.

Let us take this opportunity to recall that after the tripartite agreements signed in Madrid 7 years ago, the Saharan people were considered a tribe of nomads and shepherds, easy prey for the Hassan II monarchy. History and time have proved the contrary to be true. At present we have trained a military force which has caused the United States improperly to assume a leading role and has caused the Moroccan Army to defy what we call the "triangle of shame."

[Egin] Setting aside the words "useful triangle" or "triangle of shame," the latest reports seem to indicate that after the brilliant attack by the Polisario

Front on Guelta Zemmur in October 1981, the confrontations have subsequently diminished, except for those on 3, 5, 19 and 22 August against the Moroccan defensive wall.

[A.O.] It is understandable that the continuity and duration of the confrontations have varied from the beginning when the Moroccans ostentatiously invaded the entire Sahara territory. The successive defeats they suffered caused them to fall back to what the Polisario Front calls--and I insist on this--"a wall of shame." In fact, we are in the unusual situation of facing an enemy who does not fight.

But military experience has shown that walls much more sophisticated than those built by the Moroccans have been overcome and that an army on the defensive never will win a battle. The latest attacks on Smara, which you mentioned, have been very favorable to our forces which observe rationally that the existence of a wall will never be an obstacle to conquering sovereign independence for our people because from the beginning we were conscious of the fact that armed struggle was the only road to liberation.

[Epin] Previously, you mentioned in passing the tripartite agreements signed in Madrid in 1977. What are your relationships at present with the Spanish state and with France since the change of government?

[A.O.] I must admit that during the President Adolfo Suarez government, high level contacts and timid steps took place in Algeria between the former president and our secretary general. At that time there was seen a sort of improvement of relations. At present, they are back to point zero.

We believe that the Spanish state should dispose of that sort of cadaver which the tripartite agreement represents. First, because one of the signatories, Mauritania, has withdrawn from it. Second, because when Morocco accepted a referendum at the OAU summit it voided those agreements.

With France, things have changed substantially. At present one no longer sees the "Jaguar" planes which Giscard used to send to bomb the Sahara. Today we have a diplomatic representation in Paris and Mitterrand supports self-determination and a settlement of the problem.

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